REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Chamber Would Use Marines to Prevent Tariff Increase

A Lesson for China in the Airplane-Wing Incident

The Precarious Position in Canton

By F. K. Wu

The New Map of China

By Henry C. Fenn

Sun Chuan-fang's Attempt to 'Come-back'

By J. B. P.

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SATURDAY, SEPTEMBER 3, 1927

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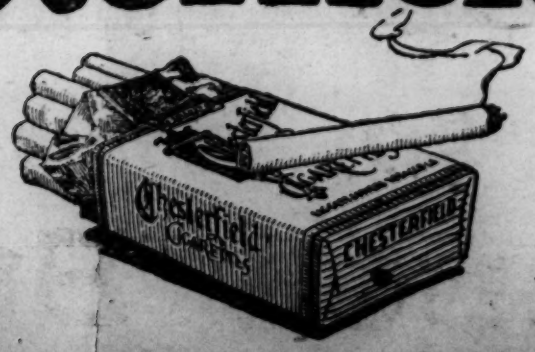

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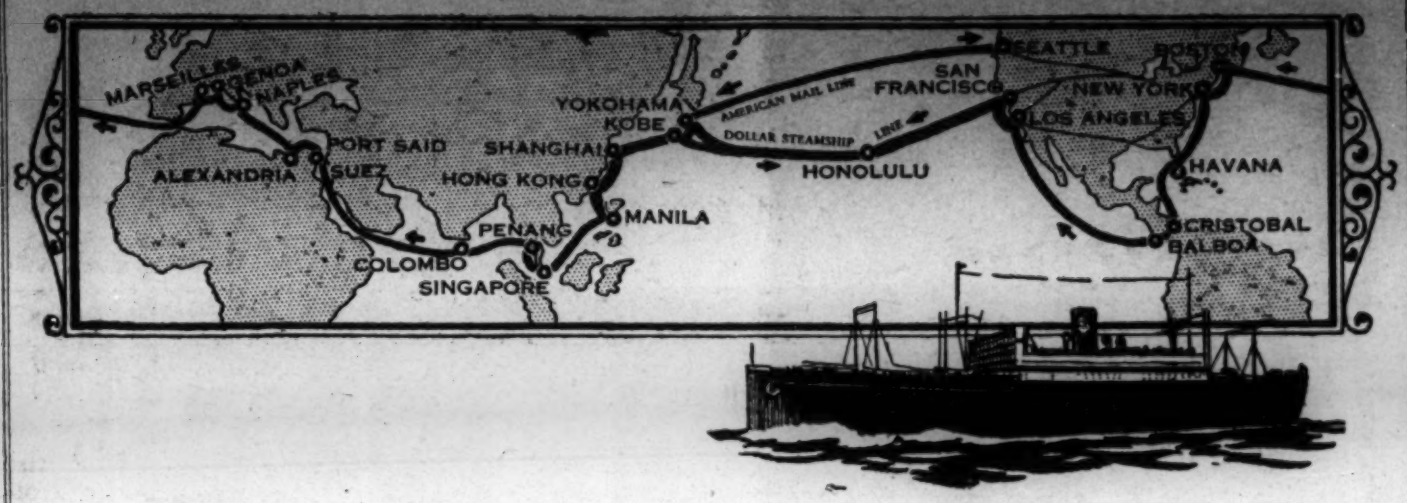

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THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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TWO INTERESTING VIEWS ON INTERVENTION

IN VIEW of the gradual withdrawal of the British and Japanese military and naval forces from Shanghai and elsewhere in China, interest in the subject of military intervention in China, has declined proportionately. However, we can't resist the temptation of presenting the views of two prominent Americans on this subject. The first is Mr. Silas H. Strawn of Chicago, who headed the American delegation to the Peking Tariff Conference in 1926. In the course of an address delivered in Manchester, England on July 26, Mr. Strawn, referring to the matter of forceful intervention in China said:

> "The natural tendency was to go in and spank the Chinese, but that would be like spanking a feather bed. It would have no effect because there were too many of them. It would cost a great deal more than there was to be got out of it. If the Powers went in together the result would be to solidify the Chinese, and that would mean interminable geurilla warfare. In no way could they go into China by force. . . . ."

The other viewpoint on intervention was by Gen. William Crozier, U. S. Army, retired, which appeared in the *North-China Daily News* last Saturday:

> "There remains to be considered the agency by which intervention might be attempted—the so-called Treaty Powers. Of these the ones which have the greatest interest in a stable and well governed China, and which at the same time can contemplate the expense without at once finding it prohibitive, are Great Britain, France, America and Japan. The Power which is so situated as to make the job the easiest for her is, of course, Japan; and the one which could best afford to undertake it is America. But we know the American people would not think of sanctioning such a proceeding, either by their own government or any other. They would consider it not only morally and ethically wrong and militarily impractical, but they would be distrustful of the spirit in which it would be undertaken and carried through. They would have no confidence in the altruism with which even our own Government would take up a trusteeship of the Chinese people and administer it in the sole interest of the wards, as political minors until these could be trained to take over the management of their own estate, and they would be quite certain that shady financiers, or even well-intentioned business men naturally solicitous about their own interests, would exert such an influence on the administration of China

as to give it altogether too much of the character of an exploitation of the Chinese people in the interests of the foreigners. Americans would not trust our own public opinion to exert itself in behalf of remote wards....

"Finally there is the difficulty of international co-operation; the mutual jealousies and distrust of the Treaty powers, each thinking of its own selfish interests and determined that no Power shall secure such control of China's railways or commercial water routes, or what not, or such influence in the administration of her government as would give an advantage to its own nationals. There are many who contend that these international suspicions would prevent any efficient cooperation in the task of regenerating China, either in her own interest or in that of the intervening Powers, and that the Powers would still more strongly negative consent to consign the task to any single Power. The difficulties which are now encountered in securing accord upon any matter in which the various Powers are interested are numerous enough....."

"...it were best that we should recognize the true reason for pursuing the 'hands-off China' policy. It is not that it would be ethically wrong or practically impossible to do otherwise, but that we cannot trust ourselves or our neighbors with the delicate duty of laying a kindly hand on the shoulder of a backward nation and guiding it with firmness along the trail with we know because we have been over it."

A LESSON FOR CHINA IN THE AIRPLANE-WING INCIDENT!

WE HAVE no desire to drag out indefinitely the discussion pertaining to the recent 'Airplane-wing Railroad-cutting' incident, which all parties to the controversy are now apparently trying to forget as rapidly as possible. But it is interesting to note that the Chinese Nationalists have learned a lesson from the diplomatic handling of the incident, which should be of benefit in the future. To review briefly what happened: a British Army airplane, owing to engine trouble was forced to land in Chinese territory outside the International Settlement. The British sent motor trucks to the scene and succeeded in dismantling the plane and removing most of it back into the Settlement before the Chinese learned of the incident. When the local Chinese Bureau of Foreign Affairs learned of the incident, word was sent to the Chinese military officials to hold the plane, but before the military could get into action all that remained was the wings of the plane which they seized. In view of the fact that Mr. Quo Tai-chi, vice-minister of foreign affairs and concurrently commissioner for foreign affairs of the Nationalist Government at Shanghai, had repeatedly protested to the British regarding the illegal flights of British army planes over Chinese territory, he (Mr. Quo) sought to take advantage of the seizure of the airplane wings in order to repeat and emphasize his previous protests and if possible arrive at an understanding with the British on the subject of the illegal flights. Therefore Mr. Quo ordered the Chinese military to hold the wings, despite the fact that the British immediately issued an ultimatum and retaliated by cutting the Shanghai-Nanking-Hangchow Railway. It is generally believed that the British action in cutting the railway was of a deeper significance than mere retaliation for the Chinese seizure of the airplane-wings, but if the British action in cutting the railraod was part of the local conspiracy to disrupt the Nationalist defense against Gen. Sun Chuan-fang's troops which were attacking Nanking, the British quickly saw their mistake and were terribly anxious to get the incident settled. First they approached the French and tried to get them to mediate and when the French failed, the British got into touch with the Japanese and it was due to the activities of one of the Japanese naval officers who happened to be acquainted with the Chinese officer holding the wings, that the wings were finally returned to the British authorities. This was all done over the head of Mr. Quo Tai-chi, commissioner of foreign affairs, who found to his embarrassment that the British, with the help of the Japanese, had obtained possession of the airplane wings even when Mr. Quo was in the act of dictating a note to the British consul-general refusing to give them up until satisfaction had been giyen for the illegal flight of British planes over Chinese territory.

BUT, as stated in the preceding paragraph, the incident was not without merit for the Chinese for it enabled them to again publicly call attention to the matter of the illegal flights, and apparently has caused the British to keep their planes in the sheds on the race-conrse, in the International Settlement. In addition it has taught the Chinese a lesson in the matter of coordinating their governmental activities, for we find in the reports of the official *Kuo Min* news agency that the Government has just issued very definite regulations regarding the conduct of foreign affairs and has forbidden any military officer to interfere in matters which are being handled by the Ministry or Bureau of Foreign Affairs. The military has concurred in these regulations, for Gen. Bei Tsung-chi and his subordinates here have also issued strict orders to the staff not to meddle in matters which belong to the regularly constituted officials of the foreign ministry. If the Nationalist Government can enforce these regulations, it will have benefitted immeasurably, for many of China's foreign complications have grown out of the meddling in foreign affairs of militarists who had no business whatever in this sphere of the government's activities. Just now we have an excellent example of this in connection with the Peking Government's relations with Japan. Dr. V. K. Wellington Koo, prior to his resignation from the office of Minister of Foreign Affairs at Peking, protested most emphatically regarding the intervention of Japanese troops in Shantung and Japanese activities in Manchuria. But now we notice in the reports from Peking that Marshal Chang Tso-ling has taken the negotiations out of the hands of the Ministry of Foreign Affairs and is negotiating directly with the Japanese, particularly in respect to Japan's recent demands pertaining to Manchuria and Mongolia. The officials of the Ministry of Foreign Affairs, being trained in the matter, realize the national dangers involved in a submission to Japan's demands in respect to Manchuria and Mongolia. But Marshal Chang Tso-ling, head of the Mukden military faction, cares little or nothing for China's national rights or interests so long as he can obtain Japanese money and military backing for his fight against his military and political enemies in the South. So Chang takes the negotiations out of the hands of the Ministry of Foreign Affairs and instructs his chief-of-staff, Gen. Yang Yu-ting to come to an agreement with the Japanese. The result probably will be the creation of another Japanese colony out of Chinese territory. The Nationalists, with all of their failings in other ways, seem to have more patriotism, or at least intelligence, in this regard!

THE U. S. LEGATION AND THE NEWS

WHEN Dr. Jacob Gould Schurman was American Minister at Peking he was responsible for the institution of daily or weekly 'press-conferences' upon which occasions the American newspaper correspondents at the northern China Capital would call in a body at the American Legation. At these conferences the Legation officials would make public news reports which the Legation received from the various consulates and from the U. S. Naval craft scattered along the China coast and inland rivers. In cases where the information was confidential the Minister or his First Secretary would request the newspapermen to observe confidence and they naturally followed his instructions. These conferences participated in by the Legation officials and the newspapermen were fruitful of much good on both sides for often the correspondents were able to supply new information which assisted the Legation in keeping in touch with the situation. When Mr. MacMurray became Minister these conferences were continued, but according to report, the number of American newspapermen who were permitted to attend, was gradually restricted to those representing the large American press associations and a few of the large newspapers which maintain representatives regularly in the Capital. But while restricting the American correspondents who were permitted to attend the conferences, Mr. MacMurray permitted *Reuters*, the British service to also send a representative to the meetings, a rather unusual arrangement in view of the fact that the British Legation has never permitted American correspondents to attend press-conferences with the British Minister.

SO MUCH for the introduction: Last spring, about the time of the Nanking incident, the American Minister suddenly withdrew the privilege of attending the press-conferences, from the Peking representative of the *United Press Associations*, Mr. Randall Gould. Mr. Gould naturally was dumbfounded to receive the letter from the American Minister telling him that he no longer could have the privilege of obtaining news from the American Legation, and quickly made inquiry as to the reasons for the strange order. It did not take long to discover the reason, which was, in simple language, based upon the fact that the American Legation officials were displeased at some of the news reports which the *United Press Associations* were sending to the United States for publication in the American press and also at some of the news reports from America which the *United Press* was bringing out to China for publication in the newspapers here. One particular item which aroused the ire of the American Minister was a dispatch from Washington, carried by the *United Press* shortly following the Nanking incident, which stated that there was little likelihood of America's adopting a policy of armed intervention in China in accordance with the wishes of Great Britain. This particular item happened to appear in the newspapers in Peking and Tientsin at a time when the American Minister was telling the foreign correspondents that "America was bound to intervene along with the other Powers." It showed that the American Minister was either ignorant of what was going on in Washington or was not in accord with the policy of his own Government. Regardless of the reason, Mr. MacMurray immediately issued an order barring the *United Press* correspondent from the Legation press conferences. Thus we had the strange situation existing whereby the correspondent of a great American press association was excluded from the privileges of obtaining news at the American Legation while the American Minister was permitting the British *Reuters* service to send its representative.

THIS naturally placed the *United Press* under a serious handicap in respect to competition, so Mr. Gould reported the matter to the head office of the *United Press* in the United States. Mr. Karl Bickel, general manager of the *United Press Associations*, immediately called upon the Secretary of State and demanded an explanation of the strange conduct of the American Legation officials in Peking in barring the *U. P.* from the privilege of obtaining news from the Legation. As a result there was an exchange of telegrams between the State Department and Mr. MacMurray, the final result of which was that Mr. MacMurray received very definite instructions from the Department to restore the cancelled privileges to the *United Press'* Peking correspondent and also to other American newspaper men in the capital who had been barred previously on some ground or other and still further in addition, Mr. MacMurray was instructed to drop *Reuters'* Peking correspondent from the list of those privileged to attend the press conferences at the American Legation. It is understood that this involved no criticism of *Reuters*, but merely indicated that the State Department had decided to *Americanize* the American Legation from the standpoint of the dissemination of news and also to put an end to the apparent attempt of American Legation officials to dictate the type of news which the Minister and his secretaries were trying to force the American newspapermen to send to the United States. All of this happened, incidentally, a few days before Mr. MacMurray received instructions to return to Washington for a conference, and while it is understood to have had nothing to do with the reasons for his recall, it is interesting nevertheless for the public in China to know that it did not take the American Government long to act when it was discovered that the American Legation officials in Peking were attempting to dictate to the correspondents regarding the type of news sent to the American press.

THE DISAPPEARANCE OF MR. BASIL RILEY

ON THE MORNING of July 23rd last, Mr. Basil F. Riley, correspondent for the *London Times* in China, started out for a walk through a village near the town of Chengchow, Honan province, and since that time he has not been heard from. Previous to departing, Mr. Riley told his traveling companions in Chengchow that he would be away but a few hours. He has now been gone for more than a month and his whereabouts are a complete mystery despite the fact that the Chinese authorities of the district are reported to have made a thorough search for him. Mr. Riley arrived in Shanghai about the middle of May from New York and remained here until July 4 when he departed for Hankow in order to investigate conditions in the territory under the administration of the Wu-han Government. From Hankow, Mr. Riley, accompanied by the Belgian Consul made the trip to Chengchow, Honan, traveling in a private car supplied by the Wu-han authorities. The party arrived in Chengchow on July 19 and after a few days there planned to depart for Loyang, the headquarters of the 'Christian General' Feng Yu-hsiang. It was on the

morning of the day the party planned to depart for Loyang, that Mr. Riley disappeared. In view of the fact that the British authorities apparently have failed to find any trace of Mr. Riley's whereabouts, it has been suggested that the American authorities should send a consular official to Honan and in cooperation with the Chinese authorities attempt to find out what has happened to him. Mr. Riley, who was of Australian nationality, resided for a number of years in the United States where he studied under a special scholarship. He was a student at Columbia University where he specialized in international relations under Dr. Paul Monroe, a member of the Commission which administers the American share of the China Boxer Fund. While in the United States Mr. Riley was an active member of International House, New York, an institution founded largely through the generosity of John D. Rockefeller, Jr., for the purpose of bringing about closer relations among students from all parts of the world who attend colleges and universities in the New York area. As correspondent for the *London Times* Mr. Riley also served for a period in Washington, D. C., where he was a member of the Senate and House press galleries and where he was also a member of the National Press Club. Prior to going to the United States, Mr. Riley was engaged in educational work in Mesopotamia where he made his first connection with the *London Times*. Mr. Riley's father is Archbishop of Perth, Australia. Although Mr. Riley was in Shanghai but a few weeks prior to his departure for Hankow and subsequent disappearance, he became well acquainted here in both foreign and Chinese circles and was able in a remarkably short time to grasp the fundamentals of the situation here.

THE OLYMPIC GAMES AND THE 'DIE-HARDS'

WE WISH that some philanthropist had bethought himself and provided the British stand-patters and die-hards in Shanghai with complimentary tickets to the opening of the Far Eastern Olympic Games in Pioneer Field, Shanghai, last Saturday. There they would have observed in all its glory the new spirit which is sweeping the Orient—the Youth Movement which must inevitably make this important section of the world's population politically independent of domination by a minority residing on the other side of the world. There probably were between 15,000 and 20,000 spectators in the grand-stands viewing the various events, baseball, tennis, soccer, track, where Chinese, Japanese and Filipino teams struggled for supremacy. There was no difference in the response to good plays, from what one may observe at any American college. At the baseball game, which the Japanese Keiyo University team won from the Chinese team, it was particularly interesting and amusing to hear the Chinese players address each other in good American-English, the reason being that the team came here from Honolulu. The Filipinos, also products of American schools in the Islands, likewise used the American language. And also, to further emphasize the 'Americanization' process which is going on throughout the Orient, the various events were practically all American. The best part of it all was the good sportsmanship displayed. The audience, made up largely of the Chinese students and younger generations of business and professional men and also women—was quick to respond to good plays, regardless of the side responsible. But when China scored, then the lid was off in grand style. Again, we repeat our regret that the foreign standpatters and die-hards were not present, for they would have received a visual education on what is happening in the Orient—they would have observed Nationalism in the making—and perhaps they might have realized the futility of fighting against this New Spirit of Liberty and Self-Reliance and Accomplishment which is sweeping the Orient. Also the stand-patters would have observed that the three flags displayed in profusion over the bleachers were the emblems of America, Japan and China—not a single British flag being in evidence anywhere.

RELATIONSHIP OF HONESTY TO MODERN BOOK-KEEPING

ONE OF THE former officials at Canton, an American returned student, recently made the statement that it was largely due to the adoption of modern book-keeping methods that the city of Canton was able to increase its public revenues from $4,000,000 a month to more than $10,000,000 a month. The reason for this was that modern accounting methods made it more difficult for officials to embezzle funds. Under the old Chinese accounting methods, adopted centuries ago, for the village, town, city and province, it was always easy for dishonest officials to loot the public treasury. Under modern accounting methods, according to this former official, it is much more difficult for officials to hide their peculations, hence there is less dishonesty, and the public treasury benefits. Which leads to the conclusion that there is a very definite relationship between honesty on the part of officialdom and modern book-keeping, the reason being that protective devices enforce honesty. We often hear Chinese complain of the dishonesty of their officials, when the trouble is not so much in the character of the individual as in the inefficient methods of accounting which prevail in administrative offices. When officials know that there is no way of checking up on the money which passes through their hands, it is easy to become dishonest. When custodians of public funds realize that their bad deeds will find them out when the auditor arrives, they have to be honest regardless of the personal inclination. A merchant in Shanghai tells an amusing story of two Shanghai retail stores (both British) which installed modern American accounting methods and mechanical equipment. The first month following the installation of the new system the shops enjoyed the largest cash sale receipts in their history. The reason for this was not due to increased trade or greater honesty on the part of the employes: it was due entirely to the installation of modern mechanical protective methods and devices which made dishonesty more easily detected, hence the receipts went up immediately.

MISSIONARIES AND THEIR PROBLEMS

PROBABLY the most discussed subject in religious circles in the United States at present is that of missionary work in China. This is only natural in view of the large number of missionaries who are back in the United States at present, having been recalled from their missions in the interior of China, due to the present disturbed state of the country. But the question always arises: Why should the missionaries leave their mission field simply because of civil war? Doubtless there are many missionaries, having the welfare of their families in mind, who were ready at the first signs of danger to drop their work at once and to

flee to some center of refuge. But it is not to be forgotten that the real reason why the missionaries left their posts is that they were requested, or even ordered, to do so by their respective Consuls. The foreign Governments always have in mind that their political negotiations will be complicated if lives are lost as the result of their nationals staying in exposed regions. Many a missionary would have stayed at his post if he had been allowed to do so, and in the *Christian Century*, James H. Franklin contributes an article, "Dawn or Doom for China's Churches", in which he says that the danger to the missionaries was really created by the procrastination of the various governments in according China recognition of her legitimate aspirations. On this point, Mr. Franklin says: "While recognizing that much of the trouble in China is due to her own internal condition, I, for one question whether there would be occasion to send defense forces to China or to urge foreigners to leave interior points for protection near the gunboats if the Powers had shown more consideration for the demands of the Chinese."

CHAMBER WOULD USE MARINES TO PREVENT TARIFF INCREASE

SINCE SHANGHAI is a competitive market where the element of good will on the part of Chinese customers is probably the most important asset in the sale of goods, we fail to see where American merchants here will be benefitted by a resolution passed by the local American Chamber of Commerce recently demanding that the United States Government permit the American Marine forces to be used to prevent the Chinese Government from increasing its customs duties, and particularly so, since the resolution was made public after it was known that the Nationalists had decided to postpone their tariff autonomy program announced to go into effect on September 1. The telegram which the Chamber dispatched to Washington was signed by Mr. C. H. French, chairman of the Chamber, who is listed in the 'hong' book or city directory as vice-president and treasurer of Andersen, Meyer and Company, an American import and export house which probably would be seriously embarrassed if its Chinese customers should withdraw their support. The cable which Mr. French sent to the State Department in the name of the American Chamber was as follows:

> Unless America's present and prospective foreign trade with China is to be sacrificed for some reason known only to the Administration at Washington, it is essential that our Government formulate without delay a plan of action calculated to protect the interests of the people of United States in their rapidly increasing demand for foreign markets to absorb the excess production of their factories.
>
> This Chamber is convinced that a public declaration on the part of the Government of the United States, setting forth its intention to take appropriate action to enforce the treaty rights of its nationals in China, would go far toward solving the present difficulty. *It is also the opinion of this Chamber that the desired end can be accomplished without augmenting the American forces already in China and by the adoption of a firm stand at those treaty ports which are readily accessible.*
>
> Very truly yours.
> (Signed) C. H. French,
> President.

THEN IN addition to the foregoing cable to the State Department the Chamber also forwarded by mail the following resolution on the subject of the Nanking Government's new customs program:

> Whereas various political and military factions in China have usurped the functions of government within the respective areas which they temporarily control, and are now seeking to levy import and other taxes in flagrant violation of exisiting international treaties and trade agreements; and
>
> Whereas the Nanking faction, in specific contrevention of the aforesaid treaties and agreements, has issued a proclamation dated July 20, 1927, declaring that effective September 1, 1927, all foreign goods imported into China shall be subject to an import duty of from 7½% to 57½% in addition to the present 5% duty, and
>
> Whereas the aforesaid irregular and unlawful activities on the part of said factions are subversive to American foreign trade and to the fundamental rights of American citizens lawfully engaged in promoting such trade; and
>
> Whereas until such time as the existing treaties shall have been revised or the provisions of the Washington Conference Agreement shall have been met, the Chinese Maritime Customs is under treaty obligation to issue customs clearances in due form permitting the importation of such foreign goods as shall have paid the present legal 5% import duty and 2½% surtax;
>
> Now therefore be it resolved by the American Chamber of Commerce of Shanghai:
>
> First: That the United States Government be and hereby is petitioned to take such action as may be necessary to protect American exports to China against all taxes, impositions, levies, extortions and exactions in violation of existing treaties and trade agreements between the Republic of China and the United States of America, and that it immediately issue a public declaration of its intention so to do;
>
> Second: That as a preliminary measure calculated to afford temporary protection, the United States Government be and is hereby requested to authorize its consular officials in China to accept on behalf of the Chinese Government payment of the present lawful 5% import duty and 2½% surtax on goods imported from the United States of America, and thereupon to issue in due form permits for the landing and delivery of such goods—this authority, however, to be exercised by the said consular officials only in case the Chinese Maritime Customs refuses or neglects to function as herein contemplated; and
>
> *Third: That the United States Government be and is hereby requested to authorize the employment of the American forces now in China to guard American goods against unlawful seizure or restraint while in process of importation into China.*

Nationalist Government Would Halt American Chamber's Intervention Propaganda

The following message pertaining to propaganda which the American Chamber of Commerce has been circulating in the United States urging armed intervention in China, was issued to the press by the official Kuo Min News Agency on Monday, August 29:

"The attention of the Nationalist Government authorities has been called to the activities of the American Chamber of Commerce in Shanghai, which organization apparently has departed from the usual policy of a trade chamber and is devoting itself to propaganda calculated to induce the American Government to intervene in a military way in China.

"In this connection, a spokesman of the Ministry of Foreign Affairs said today that particular attention had been directed to recent resolutions and cables which have been sent to Washington, D. C., by the American Chamber demanding that the American Marines be used to prevent China from increasing her customs duties.

"In addition to this recent action, reports have reached the Government from the United States that the American Chamber of Commerce in Shanghai has been circulating newspapers and trade bodies in

America with "literature" compiled by notorious tools of local "diehard" interests which contain unwarranted attacks upon the Nationalist Government and its officials, the general purpose of which apparently is to get the American Government to become embroiled in the imperialist conspiracy for military intervention in China.

"In reference to the activities of the American Chamber of Commerce in Shanghai, referred to in the foregoing, the Foreign Office spokesman pointed out that whilst the Nationalst Government welcomes legitimate criticism and cooperation on the part of foreign commercial organizations in China, nevertheless when a foreign chamber of commerce, such as the local American organization, departs from legitimate commercial pursuits and transforms itself into a propaganda organization for the dissemination of information inimical to the friendly relations of China and America, then it becomes a matter of serious concern which the Nationalist Government cannot overlook.

"China and America have enjoyed peaceful and friendly relations for nearly a century and a half, the first American commercial ship visiting Canton only a short time following the successful conclusion of the American Revolution against domination by Europoan Imperialism. For many years American merchants traded peacefully at Canton with the Chinese merchants even before China and America entered into treaty relationship. America has never been aggressive toward China as have other nations; and China has almost always been able to look to America as a disinterested friend at critical periods, as for instance, the Open Door Policy, the return of the Boxer Indemnity, and the efforts of Secretary Hughes to give China a square deal at the Washington Conference.

"Unfortunately, however, the local American Chamber of Commerce seems to have come under the influence of certain European imperialistic interests and for several months has been conducting a propaganda which is detrimental to the friendly relations of China and America and also detrimental to the best interests of those American merchants solely concerned in the development of trade between China and the United States. In view of the fact that the American Chamber has its headquarters on Chinese soil, the Nationalist Government is forced to call attention to this matter and to issue a warning that unless the American Chamber ceases its underhanded activities, the Nationalist Government will be forced to bring the matter to the attention of the American authorities and ask that action be taken by the American authorities to curb the Chamber whose pro-imperialist activities serve merely to provoke and alienate all Chinese interested in the continuance of friendly relations between our country and America."

Mr. French Issues Statement on Chamber's Position

The following statement by Mr. C. H. French, chairman of the American Chamber of Commerce, in reference to the declaration of a 'spokesman' of the Nationalist Government regarding the Chamber's attitude on intervention, appeared in the *Shanghai Times* on Wednesday, August 31:

"The statement appearing in Monday's local press relative to the activities of the American Chamber of Commerce, in connection with the proposed increase in customs duties by the Nationalist faction, has obviously been prepared by someone unfamiliar with the facts.

"The American Chamber is thoroughly in accord with the principle of complete tariff autonomy for China as and when that country is in a position to assume the serious responsibilities of exercising such autonomy through the medium of a stable Government.

"We do oppose, however, any and all attempts on the part of the various political and military factions to usurp this function of the Government within the restricted areas which they temporarily control, and we are furthermore opposed to any and all compromises with such factions in the matter of illegal levies.

"The Chamber is thoroughly in accord with the American policy as promulgated by the President of the United States in his speech of April 25, 1927, and it has been the constant aim of the Chamber to take no action whatsoever in contravention of said policy."

Summer's Events in China Interpreted By Grover Clark

An excellent review of the political and military events of the summer of 1927 in China is contained in a seventy-page pamphlet printed by the *Peking Leader* Press, entitled "In Perspective." The pamphlet contains a series of editorials written by Grover Clark, editor of the *Peking Leader*. Mr. Clark brings to his analysis of the stirring events which are occurring in this country not only great learning, but a sympathetic attitude. His views are neither partisan nor harsh, but are couched in kindly, and at times mildly critical, language.

These editorials throw some interesting sidelights on such personalities as Chiang Kai-shek, Chang Tso-lin, Sun Chuan-fang, and others.

As regards the Nanking incident, we are told that this was planned by the "Lefts" as a maneuver against Chiang Kai-shek. "As their tool in this matter they chose a commander who, since boyhood, had been steeped in a bitterly anti-foreign atmosphere and who had for some time been strongly against Chiang Kai-shek though nominally cooperating with him in the advance down the Yangtze. This man's troops, too, were made up largely of men taken from the most turbulent elements in traditionally turbulent Hunan. There seems little doubt that this man was rushed to Nanking with the definite and deliberate purpose of getting there before Chiang's troops did and then of attacking the foreigners in the city. An attack of this sort, the Lefts expected, would accomplish one important purpose: it would provoke foreign bombardment of the city, perhaps foreign armed reprisals, and certainly vigorous foreign demands. This, the Lefts thought, would rouse a storm of anti-foreign feeling all over China—and this storm would sweep Chiang Kai-shek and the Rights, with their more moderate councils, entirely out of power. This was not the first time that the Lefts had sought deliberately to provoke foreign armed retaliation."

Concerning Chang Tso-lin and Sun Yat-sen we read: "The rise of Chang Tso-lin from the leadership of a small band of border marauders to the position of self-appointed dictator of the Peking Government is a tale which someone someday may put into a most fascinating book. Told understandingly and well, the story would throw a flood of light on many aspects of conditions in China as well as on certain traits in Chinese character. Equally valuable, as companion to such a book, would be the story of the rise of Sun Yat-sen, the son of a poor peasant family who stands today, for millions of Chinese, as the spiritual father of the New China. The activities, the capacities, the limitations, the temperaments, and the achievements of these two men very well epitomize the two main forces which have been at work in China during the half century since they were boys. (Sun was born in 1866, Chang Tso-lin in 1876)."

British Shipping Strike Still Drags On

The strike of the officers of the British shipping firm, the China Navigation Co., which owns the largest fleet of steamers on the China coast, still continues. The *Review* is informed that the matter of the ten per cent increase in salaries has to a certain extent been pushed into the background, the real bone of contention between the Company and the men at present being whether the several officers which the Company discharged for refusing to move their vessels are to be reinstated in their positions. It has been an invariable rule with Butterfield & Swire, the agents for the China Navigation Co., that a man once discharged from their service, can never be reinstated, and it is rumored that in case negotiations reach the point where the reinstating of these men becomes the vital issue the Company will pay the men their salaries to the end of their contracts rather than to reinstate them.

Missionary Work Much Discussed at Honolulu Conference

ONE of the principal topics discussed at the meetings of the Institute of Pacific Relations held at Honolulu last month was that of missionaries and their work in Far Eastern countries. Among the conclusions reached was that a newer and better type of missionary is needed in the Far East if Christianity is to progress as it should; but that there is a great opportunity for the right kind of religion in the new China was affirmed by speaker after speaker.

Some members in attendance at the Institute advocated that the term missionary should be abolished and a new name found for a new type of Christian worker who will always put unselfish sincerity first, who will acknowledge the fault of his civilization and his church, but who will go forth determined to win his way by reason, service and sacrifice. The suggestion also was made that one-half of present missionary funds be used to bring natives of the Far East to America or Europe for instruction, in place of simply sending missionaries out from the west, thus giving eastern peoples a chance to compare religions and cultures.

Among the important contributions to the work of the Institute was a report on the relationships of Protestant Mission boards in America to the churches in Japan, Korea, China and the Philippine Islands, by Dr. A. L. Warnshuis, Secretary of the National Evangelistic Movement, from which the following paragraphs are either extracts or summaries.

Autonomous Churches

The aim of some of the denominations has been to establish autonomous churches in the missionary field, the various denominations handling the subject in the manner described below:

Congregational—The churches that have a congregational policy have naturally established independent congregations in the fields to which their missionaries have gone. This is true, among others, of the missions of the American Board of Commissioners for Foreign Missions, the American Baptist Missionary Society, the Foreign Mission Board of the Southern Baptist Convention, and the London Missionary Society. Outstanding examples of such a policy are the "Kumiai" churches in Japan, and the churches related to these societies in China and the Philippine Islands.

Presbyterian—All of the churches in Japan, Korea, China and the Philippine Islands that have grown out of the missionary work of the Presbyterian Churches in the United States, Canada, New Zealand, Australia, England, Scotland, and Ireland are now wholly independent in their government of the older churches from whose work they have sprung.

The Presbyterian Church in China has an example of a church, presbyterian in its form of government, that is has been autonomous from its beginning. This is the Protestant Church in South Fukien. As soon as local congregations were organized, these were immediately set up independent of the Churches in America and England that cooperated with them, and so they have continued as they have developed a church organization with several presbyteries and a synod, in which all the churches in that area are united, without bringing over or even translating a creed or rules of government of any church in the west. With this independent church, the missions of the Reformed Church in America, the Presbyterian Church in England, and the London Missionary Society now cooperate.

For a time some of the other Presbyterian Churches in China were organized in presbyteries that were organically related to the parent Churches in America, but now all the Presbyterian Churches in China are independent of foreign ecclesiastical jurisdiction. This has been so for a number of years. These churches are now engaged in the process of organizing a nationwide church to be known as "The Church of Christ in China." In this development they are already organized in presbyteries and conferences, related to one another in various ways.

The Djvisional Council in Kwangtung is already organized, comprising the churches formerly related to the Presbyterian Church in the U. S. A., the United Church in Canada, the Presbyterian Church in New Zealand, the London Missionary Society and the United Brethren. The South Fukien Churches will probably be another divisional council of this church. The presbyteries in Central and North China will also probably enter the same Church. These include churches formerly related to both the Northern and Southern Presbyterian Churches in the U. S. A., the United Church in Canada, and the Presbyterian Churches in Scotland and Ireland. The conferences of the churches formerly related to the London Missionary Society and the American Board of Commissioners for Foreign Missions have shared in the negotiations leading up to the organizations of this Church, and it is hoped that they also will enter into it. This movement for the purpose of uniting all these churches is a demonstration of their independence, for the decisions regarding these proposals are made by the Chinese Churches without any reference to the Churches from which the foreign missionaries have come.

The Methodist Plan

Methodist—The Methodist Church in Japan has been organized as an independent body, wholly autonomous. The missionaries of the Methodist Episcopal Church, the Methodist Episcopal Church (South), and of the United Church in Canada cooperate with it. In Korea, China, and the Philippine Islands, the Churches are members of "conferences" that are on an equality with the "conferences" of the churches in America. The missionaries are members of the "conferences", and there is no racial or other distinction in the "conferences" between the missionaries and the members who are nationals of the countries in which they are located. The "conferences" send delegates to the Quadrennial General Conferences of the Churches in the same way as the "conferences" in America and other lands. In these churches there is no organization known as a "mission", but there are finance committees which administer the funds contributed by the foreign missionary boards in America. On these committees in the areas where the work is older, there are members who are nationals. The "conferences" of the Methodist Episcopal Church are united in a "Far Eastern Conference."

Anglican—In all the countries included in this survey, the Churches of the Anglican Communion are organized in national churches with diocesan councils and Synods that are independent and autonomous. The missionaries of the Protestant Episcopal Church in America, the Church of England in Canada, and the Church of England cooperate in the work of these churches. The American bishops are members of the House of Bishops of the Protestant Episcopal Church in America, but they are chosen in accordance with the laws of the national churches. In Japan two Japanese Bishops and in China one Chinese Assistant Bishop have been consecrated.

Lutheran—In China, an independent, autonomous Lutheran Church has been organized, which includes the churches of almost all the American Lutheran Missions.

Transfer of Authority

To what extent have the Boards and Missions transferred to these autonomous churches the work and institutions which they aid or maintain? A definition of terms will help to make the following discussion clear. In speaking of the "Church", the reference is to the ecclesiastical body, the denomination or the local congregation composed almost entirely of the converts and adherents from among the people of these countries. The churches in the West have organized "Boards" to administer their missionary work under the authority and control of the supreme courts or governing bodies of these churches. "Societies", are organizations composed of church members voluntarily associating themselves for the purpose of prosecuting missionary work in other lands. These "Boards" and "Societies" have organized their missionaries in the various countries or regions in which they are located as "missions," or "mission councils," or "district committees." These terms are synonomous, and the term "mission" is here used to designate these organizations in the field composed, almost without exception, of the missionaries from abroad who are related to the work of a Board or Society in a given area.

A large variety of plans have been adopted for the administration of financial assistance and to govern the relations of foreign missionaries to the churches. These plans depend to a large extent upon the stage of development of younger churches.

In the first place, it should be clearly understood that the churches in the West and their missionary boards have generally transferred legislative authority regarding the administration of work in the field to the "missions," as defined above. It is almost a universal rule in all missionary administration that the initiation of policies and action rests with the mission. The appropriation of money is made in lump sums to the mission, which is responsible for its distribution in the various forms of work aided by it. Missionaries are generally appointed to the mission and their assignment to stations and particular fields of work is determined not in New York but by the mission.

How can the help of the mission best be given in the interest of the Church herself and of the progress of Christianity in each country? Many earnest efforts have been made

to answer this question. The range of these various plans extends from those in which the mission is merged with the Church to those in which there is complete separation between these two bodies. Where the plans provide for the distinct and separate existence and action of the mission, the mission is in effect a committee of the Board, acting for it with the authority conferred upon it by the Board. This plan is an application of the principle of transferring administrative authority from the Boards in the West to the field, bringing it as close as possible to the work administered. In the plans by which the mission is merged in the church, this policy has been adopted in response to the desire of the church to have direct relations with and access to the Boards in the West, eliminating the mission and its mediation in receiving the financial aid and the services of the missionaries given to it by the western churches. Where the mission is strong the Board in New York or London exercises little direct control of field administration; where the mission is merged in the church, the Board is necessarily called upon to act directly upon the requests of the church.

The Control of the Money

Between these two, there are numberless other plans for cooperation or affiliation. Most of them recognize that the mission is a temporary agency and that inevitably it must disappear as the Church assumes full responsibility for the maintenance and development of all Christian work in the area within its influence. *In all of these plans, the continuation of financial aid and missionary service for an indefinite period is assumed, and the questions under discussion have to do with the issue of whether or not the missionaries working with and in the church shall exercise on behalf of the Board sending them the control in whole or in part of the money given by the Board for the work of the church.* Many missionary conferences have been held to discuss the merits of these many different plans, and there is available a shelf of books that deal with the question. The problem of the mission is to relate their financial aid and the services of their missionaries to the churches in such a way as will recognize the rightful position of the churches and will contribute most effectively to the strengthening of the churches, their expansion into hitherto unoccupied areas and influencing all human life and activity with the spirit and principles of Christ.

The success of these various plans in their practical working varies greatly in different places, depending upon the age of the work, the resulting ability of the church to carry its responsibilities, and also upon the point of view both of the older church with its mission, and of the younger church. The polity of the church denomination is also a modifying factor,—in some the ecclesiastical organization is such as to make it easy to give large freedom to small, local units, in others the connectional organic unity of the whole body resulting in the subordination of local units and their leaders to higher church authorities. These and other facts need to be kept in mind when discussing any particular plan or situation.

Educational and Medical Work

Something more may need to be said regarding the relation of the schools, colleges, universities and hospitals to the Churches. The principles outlined above are naturally applicable to the administration of these institutions. However, the greater wealth of the older churches in the West has enabled the Mission to establish and maintain educational, medical, and othe institutions that in size and character and cost are much greater than the younger churches are as yet able to support, and yet which are essential to meet the demands for the spread of Christianity in non-Christian countries. These institutions are conducted in the name of the Churches but in reality they are controlled and developed by the Missions. By establishing and developing this institutional work, it is essential that the younger Churches should be protected and prepared to take over these tasks in due time or be free to develop their own institutions in their own way. Their schools and the organizations that control them must be brought into just relationship to the institutions and authority of each country The school should be registered, if that is required, and they should comply with all regulations. They must either obey the laws or come away. The questions of whether these different national governments will permit private schools to exist and whether religious teaching may be an integral part of the training given in such schools are to be determined by these governments. Japan and the United States of America have adopted such policies, and we must believe that China will also do what is right and reasonable.

The problem of control and administrative relationships will also yield to patient and wise effort. An increasing measure of power is being given to Boards of Managers in the countries in which the institutions are located, and the constitution of those Boards are being altered so that a majority of the members will be nationals of those countries. As rapidly as qualified men and women can be found, the presidents, deans, and other administrative responsibility are being given to nationals. Much progress is being made along right lines in these respects; probably such steps should have been taken at an earlier stage in many cases, but in any case the fact should be recognized that it is now being achieved. The title to the property of these institutions is held almost altogether by the Boards in America or Europe in accordance with the laws of the countries in which they are located. No serious issue need arise with reference to these titles, for it has been shown that wherever desirable and practicable it is easily possible to lease them at nominal rates to the controlling bodies in Asia.

What Has Happened

BY MAXWELL S. STEWART

A few months ago the whole world was astounded at the rapid progress of the Nationalist armies in China; while at the present time it is at a loss to explain the apparent collapse of the movement. That there had been a real collapse, and not a mere temporary setback was brought home to the world by the retirement of Madame Sun Yat-sen, accompanied by her able statement of the reasons for her retirement. That statement deserves to go down into history along with the famous documents written by her husband for its uncommon lucidity and penetration. In it she makes it quite clear that according to her opinion the revolution has failed for the time being, because it departed from its original program as laid down by Dr. Sun.

The third and most important of his famous "Three Principles" emphasized "The People's Welfare". Dr. Sun felt that the revolution should be interested primarily in bettering the social and economic conditions of the masses in China. He felt that for such a revolution to be significant and lasting, it must represent a real people's movement and derive its power from the workingmen and peasants. Dr. Sun himself spent much of his time and energy planning and working for the betterment of the lower classes.

A People's Movement

From the beginning the Kuomintang movement had been a people's movement. It had long been opposed by certain groups of the bourgeois, conservative and wealthy Chinese who derived their living for the most part from parasitical occupations. As the movement swept over the country, it was the almost unanimous support of the common people that made its rapid advance possible. Everywhere the Nationalist armies were welcomed with enthusiasm, and the people looked upon the revolution as the dawn of a new era in China.

Then something happened. The widely hailed Utopia did not materialize. As a matter of fact, conditions have gotten steadily worse instead of better. Trade and commerce have been virtually at a standstill in large sections of the country. The burden of taxation, already unbelievably great, has been even more oppressive, due to the enormous costs of the revolution. Worst of all has been the vast increase in industrial and factional strife. Scarcely a day goes by but that one reads of new riots or disorders in some section of the country. And the frequent strikes have not, as a rule, brought better conditions of life to the working man. On the contrary, the general economic depression has prevented thousands of men from obtaining even the necessities of life. The worst that the prophets of doom had forecast seems to have materialized.

Various reasons have been advanced for this debacle, the most common one being the claim that an alien movement, the Russian Communists, had succeeded in gaining control of the Kuomintang, and that, impractical and fanatical as they were, they had succeeded in wrecking the whole movement in trying to mold it along Marxian ideas. Borodin has been made the scape-goat. This quiet man, who so longed to remain in the background, has been dragged out in the open and charged with unscrupulously plotting to divert Chinese Nationalism into the channels of Russian Communism. A good illustration of this prevalent viewpoint was presented at the time of Madame Sun's resignation. Her statement to the effect that she was resigning because the movement had departed from her husband's program was seized upon by the *Shanghai Times*, which declared in a leading article, "that Madame Sun, in despair of ever seeing her husband's principles put into effective operation free from the parasitic policies engrafted by the Russian contigent, has resigned from the party until such a time as the moderates wrest control from the Reds."

Madame Sun's Resignation

Madame Sun characterized that statement as a "wilful misrepresentation" of her position. Her own statement, she said, made it quite clear that she had resigned because her late husband's principles were being ignored and distorted, not by the so-called "Red" wing of the government, but by certain militarists who had gained temporary ascendency. She even went so far as to make it quite clear that it was only that section of the party which had been stigmatized by the name "Red" that really had the welfare of the people at heart.

Contrary to ordinary belief, the man who did the most to stabilize the revolution and to prevent excesses was Borodin himself. It was against his advice that the Northern Expedition was launched when it was, and after each success, he urged that the advance be stopped until a stable and effective administration could be established. He alone seemed to realize that excesses invariably accompany a revolution, and that the greatest task lay in the re-establishment of law and order. His advice was not taken, and many of the ills that are harassing China today are the penalty of not heeding him. Much of the trouble is most certainly due to the effort to make too large a social readjustment at one time. Such excesses are to be expected in time of revolution, but they could have been minimized if Borodin's counsel had been followed.

It may be safely said that Russia's interest in China has been chiefly to establish a strong national government. No one has ever realized more clearly the undesirability and impossibility of establishing Communism in China than Borodin and the Soviet Government, and so, paradoxial as it may seem, the Russians have been leaders in opposing the Chinese Communist Party.

All the evidence seems to confirm Madame Sun's charge that a small group of military leaders have, by usurping the power from the civil authorities, distorted and practically destroyed the Nationalist movement. At the beginning the Kuomintang movement was entirely political in character; its leaders were men from all walks of life who were banded together by an honest desire to aid China in her great struggle to find her place among the modern nations of the world. This modernization of China involved the blending of Oriental and Occidental civilization. But every constructive movement was sooner or later blocked by one or the other of China's two great curses: the unequal treaties, or the power of the militarists. Both of them effectively prevented a legally constituted popular government from exercising that police power which would be necessary to solve her problems and enable her to build for the future.

Ruthlessness and Brute Force

But the only feasible way to eliminate the militarists seemed to be by military force. And therein lay the pitfall. The use of military force seemed to necessarily involve the placing of great power in the hands of military men, ignorant men who for the most part had gained their position by sheer ruthlessness and brute force. At first this was guarded against by having civilians directly responsible to the Central Executive Committee of the Kuomintang attached to each military unit. This device, involving as it did a sort of dual control, was abolished by the military as soon as the victories of the Northern Expedition gave them sufficient prestige to chance it.

The expected happened. As the Nationalist movement swept northward, all the small militarists in its path hastened to climb on the band-wagon. They came with their armies, which were not unwelcome to the advancing Cantonese; but coming as they did as friends they expected and obtained certain posts in the Nationalist army. By the time of the fall of Shanghai, the Nationalist army was indeed a heterogeneous group. For the most part they were the same soldiers and militarists who had constituted the scourge of China for years. Long standing petty jealousies festered and broke to the surface. Combinations, cliques, and alliances were renewed and reformed, until suddenly the Nationalist movement woke up to the fact that, instead of the party controlling the military porces, it was controlled by militarists of the very type that it sought to destroy.

The split between the so-called right and left wings was in reality nothing but a realignment of ambitious militarists. Much of the blame can undoubtedly be laid to the personal ambitions of Chiang Kai-shek, but he probably is the most enlightened of the military leaders. The fundamental mistake was made when it was decided to employ militarism to eliminate militarism. It failed just as did our "War to end War", and for exactly the same reason.

The Nationalist movement will not fail. The seed has been sown; the people are determined to rid themselves of militarism. In Dr. Sun's "Three Principles" they have a technique set forth that will accomplish that end. The men who become disillusioned to the extent that they cease to struggle will be replaced by others. It is true that the movement is still immature, but in spite of the apparent setback, the underlying work of social transformation continues. After all the political revolution is merely the reflection of profound changes at work in society, and there has been no setback there. There cannot be because of the very nature of social change.

No one who has worked with the students of China can be long pessimistic about the country's future. They are as united as ever in their determination that these evils must go. The people as a whole are becoming more nationally conscious. There is less and less enervating complacency. The workers are awakened as never before to their rightful place in society. Such forces as these will never be headed, and it is inconceivable that the men now in power can resist them much longer.

Peking, Aug. 16, 1927

British and Japanese Courts Declare New Duties Illegal

By a decision by Judge Peter Grain in the British Supreme Court at Shanghai, August 27, the Ocean Steamship Company, the owners of Holt's Wharf in Pootung, across the Whangpoo river from Shanghai, were ordered to deliver to Gande, Price & Co., Ltd., British liquor importers, seventy cases of beer.

The point involved in the case was that the importers refused to pay the thirty per cent interim luxury tax which the Nationalist government had imposed as of August 11, but instead had paid the five per cent duty called for by treaty, the two and a half per cent tax proposed to be levied according to arrangements come to at the Washington conference, and a two and a half per cent luxury tax.

The steamship company had refused to deliver the cargo in the absence of a receipt from the Bank of China showing that the extra duty had been paid. On this point Judge Grain said:

"By Article 8, of the Mackay Treaty, 1902, certain additions by way of surtaxes were suggested but the article never came into force, as it was dependant upon other matters. In pursuance of the Washington Treaty, 1922 ratified in 1925, a conference was convened to consider a 2½ per cent *advalorem*, but the conference broke up without arriving at any result. On August 10, 1927, a notice appeared in the *North-China Daily News* headed "Stamp Tax Bureau of Kiangsu" signed Tai Eu-kao, Chief of the Bureau, and Ho Chiao-chu, Vice-Chief, and it stated that these two gentlemen on instructions from the Nanking Government had established a Special Stamp Tax Office for "Imported and Chinese machine brewed foreign wines and liqueurs" and were going to charge 30 per cent. on these articles after August 11, 1927, and these two gentlemen then did set up their office or bureau in the Customs bank, and are the cause of the failure to get the proper receipt at the Custom's bank when the importers tendered the correct and legal duty."

It was brought out in the course of the proceedings that the steamship companies are under agreement with the Customs not to deliver cargo unless they holder of the cargo produces a "stamped permit" from the Commissioner of Customs. Judge Grain admitted that the steamship company was placed in an "embarrassing position" as a result of this agreement.

The decision was in the nature of a test case. It means that British steamship companies will deliver cargoes without the payment either of the interim taxes recently imposed by the Nanking government, or the increased taxes which the Nanking government announced would go into effect September 1. As regards these taxes the Chinese Chamber of Commerce has requested the Nationalist Government to postpone their collection, and the Nanking Government has since announced that the collection of these taxes would be postponed.

The Japnese Court has gone even a step further than the British in a similar case. In the Japanese case the Dai Nippon Brewery sued the Nippon Yusen Kaisha for the delivery of the cargo and the Court ruled that the only duty that need be paid was the five per cent called for by the present treaty, and suggested that any increases would have to be agreed to by negotiations between the Chinese and Japanese authorities.

In the meantime a similar case is to be tried in the U. S. Court for China, the plaintiffs being Longfellow & Adams. Inc, and the defendants the Robert Dollar Company.

Increased Telegraph Rates In China

The Chinese Telegraph Administration in a notice published during the week announced increased telegraph rates, which it stated were to be put in force on instructions from the Nanking government. The heaviest increase is that for telegrams in foreign (or Chinese in code) language. The existing rate is Mex. 0.22 per word between provinces; the new rate is announced to be Mex. $0.32. There is no change in the press rate. The Great Northern Telegraph Co., which is Danish incorporated, also reaches various cities in China, and usually they charge the same rates as the Chinese services. In the present instance, however, in view of the fact that the Peking government has not announced any change in rates it is not yet certain what the Danish company's rates will be.

The New Map of China

BY HENRY C. FENN

(Lecturer on Chinese, Columbia University, Reprinted from Current History, N. Y.)

THE Nationalists have not yet revised the old provincial boundaries, many of them centuries old. The accompanying maps show changes, some of which are of fourteen years' standing. They were the work of the first few years of the Republic. Yet few maps of China published in this country show these changes. Consequently when the newspapers report that the Manchurian war lord, Chang Tso-lin, is about to retire north of the Great Wall, keeping only the three Manchurian provinces and the districts of Jehol, Chahar and Suiyuan, the reader, consulting his atlas, is still at a loss to know where those three districts are located. A map of the Chinese Empire is considered out of date, yet these territories have been in existence as separate entities almost as long as the republic.

The old Empire of China embraced five major divisions: China Proper—commonly referred to as the Eighteen Provinces; Mongolia—sometimes divided into Outer and Inner; Eastern or Chinese Turkestan—called by the Chinese *Sinkiang*, the New Dominion, and Tibet. The outlying territories were added to China Proper along with sundry smaller Asiatic States by the late Manchu Dynasty. Manchuria was the native heath of the conquerors. Mongolia, Turkestan and Tibet were brought under Tatar sway by those intrepid warriors and statesmen, K'ang Hsi and Ch'ien Lung, contemporaries respectively of Louis XIV and of George Washington. The decay of the dynasty from 1821 on brought with it the gradual loss of the tributary States of Burma, Siam, Indo-China and Korea and the great island of Formosa or Taiwan.

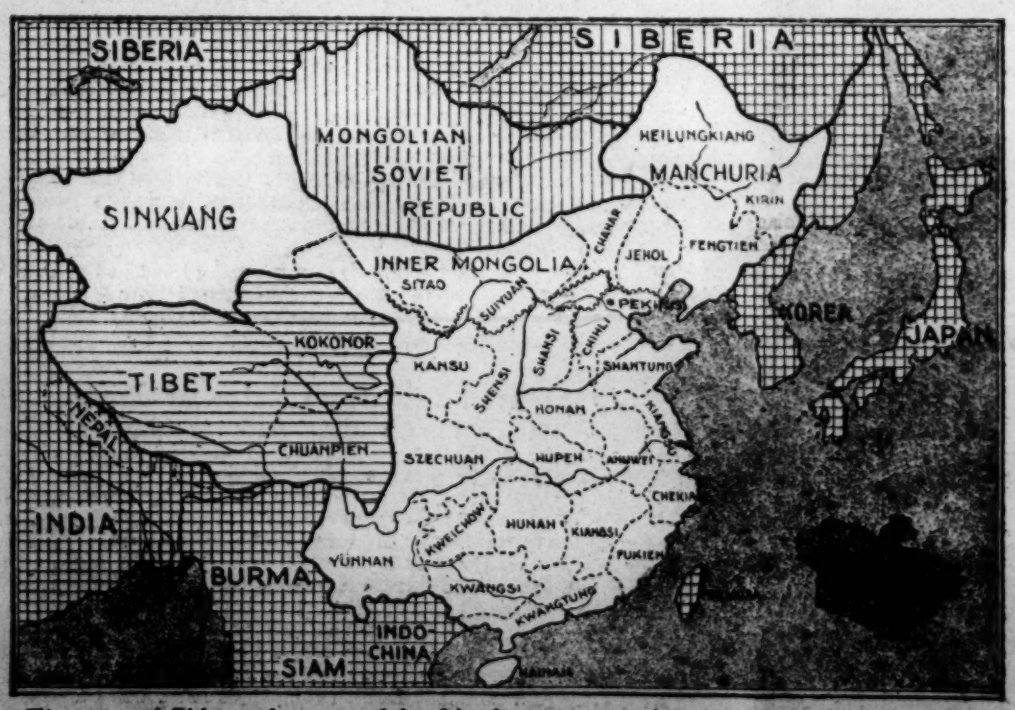
The Revolution of 1911 gave birth to a "republic," which adopted as its flag a band of five stripes representing the five major divisions of the country and the five races which inhabited them. The red stripe stands for the Mongols; the yellow for the Manchus; blue for the Chinese; white for the Tibetans, and black for the Mohammedans of Turkestan and Northwest China Proper. This ensign supposedly represented a voluntary union of five peoples. Subsequent events, however, have proved all too clearly the fiction of that fine ideal. An impotent China offered little to attract the races once conquered by K'iang Hsi and Ch'ien Lung, and one by one they threw off their allegiance to this mock republic.

Tibet, in fact, never did acknowledge its membership in the union. Chinese armies sent to subdue the Tibetans consistently failed. Today Tibet is as independent of China as is Turkey or Persia. Realizing the impossibility of holding Tibet by force, the Chinese Government to save its face resorted to a species of self-deception sometimes practiced even in more advanced States. It revised the map, creating a new border province of Ch'uanpien out of a slice of Eastern Tibet and one from Western Szech'uan. This province even it could not hold, so the sole result of the fiction has been to bring in the western boundary of the old province of Szech'uan better to coincide with the actual limits of China's power. The great sparsely populated plateau of Kokonor or Chinghai was similarly laid claim to by China, but to this day that region boasts no government, either Chinese or Tibetan, but remains, like Arabia, the unstaked heritage of nomads.

The chiefs of the Mongol tribes have long been torn in their allegiance between Russia and China. At the founding of the republic many Mongol princes gave it their support, believing promises of equal treatment and autonomous rule. These promises were never fulfilled, for the Chinese could not get rid of an age-old sense of race superiority. Consequently, when Russia offered closer trade contacts, it was very easy for Mongols to see that the geography of their rolling grasslands made them face north and that the Trans-Siberian Railway passed their very doors, being within easy motor transport distance of their chief marts of Urga and Uliassutai. Chinese rail heads were still far off and the promised Trans-Mongolian line from Peking to Urga has not even today materialized. So allegiance shifted back and forth until, after the Russian revolution, matters culminated in the setting up, under Russian protection, of an independent Mongolian Soviet Republic. This State, though not recognized by China, has led an unhampered separate existence since 1920.

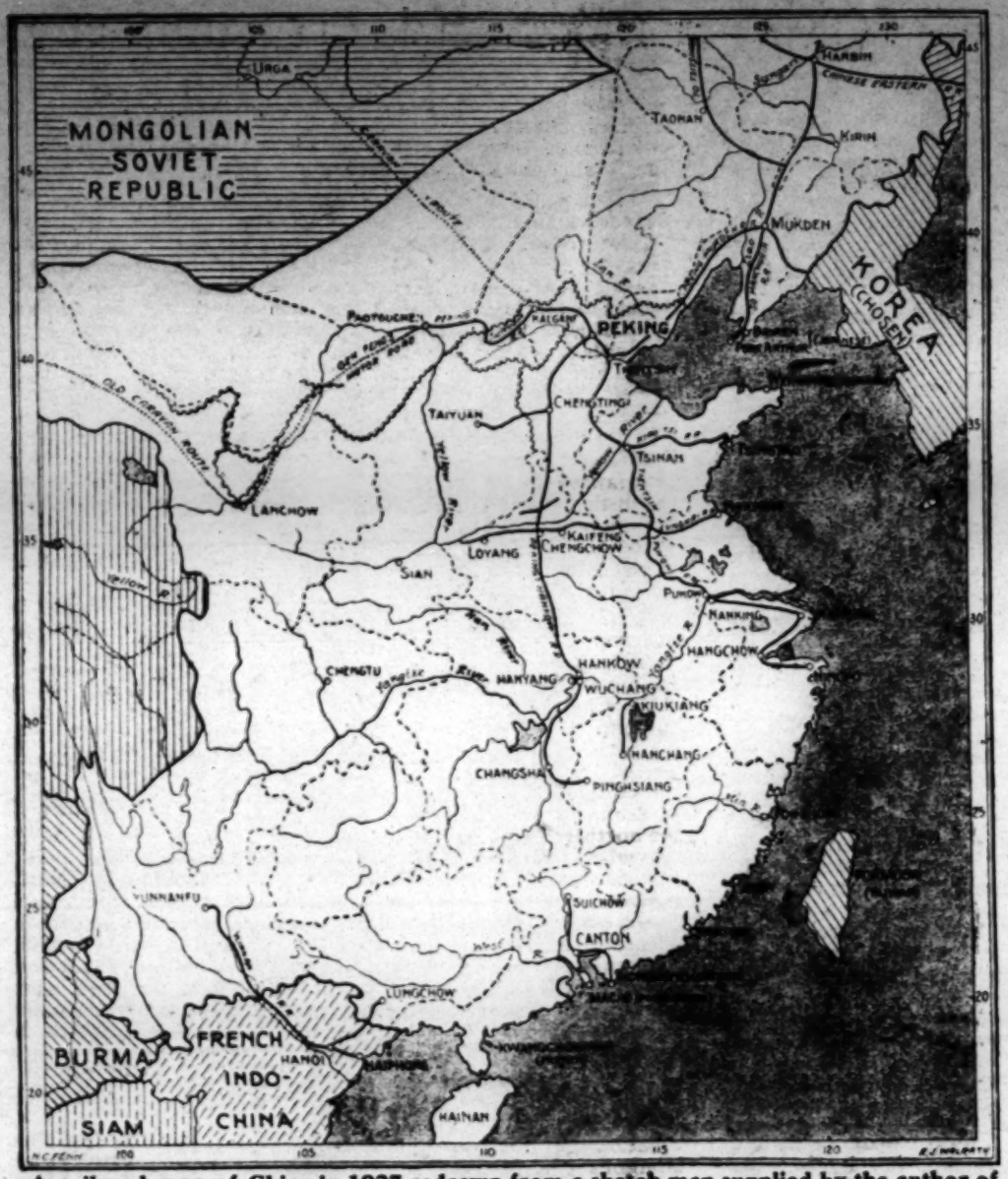
The sacrifice of Tibet caused some little loss of face, but was of little practical import. Mongolia, however, was a different matter. The boundaries of old Mongolia reached to within 200 miles of Peking. Moreover, Inner Mongolia was the nearest and most natural outlet for surplus population; some Chinese had already migrated thither in the last days of the empire. So when Russia demanded that China recognize Mongolian autonomy, China countered with a complete separation of Inner Mongolia from Outer, agreeing to the autonomy of Outer Mongolia provided Russia recognized Chinese suzeranity over it. To Inner Mongolia was added a strip from the northern end of the provinces of Chihli and Shansi, and the whole territory thus formed was arbitrarily divided into "Three Special Administrative Areas"—we should say "territories." These were named Jehol, Chahar, and Suiyuan. The westernmost sector of Inner Mongolia being almost destitute of population was added to the province of Kansu under the name of "Sitao" or Western District. To make this change doubly secure, Chinese immigrants were rapidly rushed in. Mongols consequently migrated north, as they are not easily won to a settled life. Thus the predominance of the more civilized race has been greatly increased, until today it is not likely that any one will dispute the question of a safe Chinese majority in the Three Special Administrative Areas.

Turkestan has given China some cause for worry, but the situation there is quite different from that in Tibet and Outer Mongolia. In the two latter the population is overwhelmingly native. In Turkestan, while the Chinese settlers are still decidedly in the minority, they have come in sufficient numbers to make themselves felt as a force holding Sinkiang to the union. They hold all officia positions. There is no such thing as self-government. In fact, Sinkiang is not now considered an outlying territory but one of the provinces, governed like any ther province by an appointee of the central Government.



The map of China today as explained in the accompanying article and redrawn from a sketch map made by the author

Manchuria, naturally enough, has never been a problem in the same sense that the other divisions have. Manchus and Chinese are no longer two races but one. Manchu as a language has dropped from general use. One small tribe, in the hills of Heilungchiang province, it is said, still talks Manchu. Apart from that few can even read it. Intermarriage has been practiced for many decades. The overcrowded province of Shantung—the "heart" of China—has sent hundreds of thousands of its superfluous sons to farm the virgin black soil of Manchuria. Manchuria is commonly considered a part of China Proper today. Witness the decline in the use of the term "Eighteen Provinces" and the increase of the substitute "Twenty-two Provinces," which



A railroad map of China in 1927 redrawn from a sketch map supplied by the author of this article

includes Sinkiang as well as the "Three Eastern Provinces" of Manchuria.

Of lesser import bnt none the less interesting is the creation of a Federal District around Peking, That city is no longer a part of Chihli Province, but the centre of an area of fifty miles radius under a mayor with the powers of a provincial governor. This district is called in Chinese "Chingchao," and is shown on all Chinese maps as quite separate from Chihli Province.

Chinese Railways Today

Over this map of China have slowly crept the beginnings of a railway web. The progress in railway extension between 1900 and 1912 was comparatively rapid. The creation of the republic and the destructive wars which have filled the fifteen years of its existence have exhausted the national revenues so that there has been little to apply to the extension of those much-needed arteries of the nation. Although the last few years cannot boast a large increase in mileage, nevertheless there have been several extensions whose importance far exceeds their length. These are not yet shown on most maps and therefore deserve mention. The following summary of the existing lines will show them in proper relation to the railway system as a whole:

1. *The Chinese Eastern Railway*—This line runs east and west across northern Manchuria. It was built by Imperial Russia as part of her Transsiberian line and is today leased to Soviet Russia and under joint Sino-Russian control;

2. *The South Manchurian Railways*—The Japanese took from Russia after the Russo-Japanese War of 1904-5 the Russian railways in the southern half of Manchuria. That system has been extended to tap the resources of South Manchuria, most of which are being exploited by Japanese capital. A joint Sino-Japanese line has just been completed, running from Supingkai, north of Mukden on the South Manchuria line, to Tsitsihar on the Chinese Eastern. This is part of a plan to isolate the half-Russian city of Harbin and provide a Japanese-controlled line across South Manchuria laterally. Such a line might eventually lead traffic between Peking and Moscow away from the Chinese Eastern Railway and so more into Japanese hands. The South Manchurian lines tap the ports of Dairen and Port Arthur at the end of the Liaotung Peninsula and connect with the Japanese railways in Korea (Chosen);

3. *The Peking - Suiyuan Railway*—A line was run northwest from Peking with Urga, Mongolia, as its ultimate objective. It was diverted westward from Kalgan in order to open up the grassy steppes of Suiyuan to colonization. It has lately been extended from Suiyuan City to the mart of Paotouchen at the northeast bend of the Yellow River, thereby enhancing greatly the commercial value of the line. Moreover it now becomes a rival with two routes further south for the honor and commercial advantage of being the base of the long-hoped-for Central Asian Railway which must some day extend from Lanchow, capital of Kansu province, along the old caravan route which Marco Polo followed in the thirteenth century, across the desert plateau of Turkestan and connect with the Russian Central Asian roads. When the Christian General, Feng Yu-hsiang, held the northwest, he built a motor road from the railhead at Paotouchen to Lanchow in Kansu. This he planned to parallel with rails but was obliged to give up the plan when the fortunes of war went against him;

4. *The Peking - Mukden Railway*—One of the oldest lines in the country, running from the capital to its port of Tientsin on the Gulf of Chihli and thence northeast to Mukden, capital of Manchuria;

5. *The Tientsin-Pukow-Shanghai Lines*—From Tientsin to Pukow, opposite Nanking on the Yangtze, is but a ride of a day and a night. Thence one can go on to Shanghai, Hangkow and now, Ningpo. This line will some day be continued down the coast to Foochow;

6. *The Peking-Hankow Railway*—Southwest and then due south from the capital runs another line to Hankow, the geographical centre of old China Proper. The three cities of Hankow, Hanyang and Wuchang cluster about the juncture of the Yangtze and Han Rivers. It is quite possible that some day the capital of the nation may be moved there. Already the three cities are the industrial centre of the country;

7. *The Hankow-Canton Railway*—From Hankow the line was continued south toward Canton. This would have made a trunk line through the centre of the country binding North and South together in a way in which they have never in history been united. Funds ran short and the line was turned eastward into Kiangsi to tap some iron and coal mines important in themselves, but nothing like as important as the linking of North and South. From Canton rails were laid northward as far as the foothills of the Southern Mountains. A 300-mile gap still separates the two railheads. The completion of this line will mean as much to China as the linking of East and West did to the United States;

8. *The Kiao-Tsi Railway*—When the Germans leased the port of Kiaochow in Shantung province in 1898 they immediately built a railway from it to Tsinan, capital of the province. Tapping coal and iron as it did, it has from the first been one of China's most valuable lines. Japan took it from Germany and after the Washington Conference returned it to China;

9. *The Lung-Hai Railway*—To meet the need of transverse lines, a road was laid east and west just south of the Yellow River through the provinces of Kiangsu and Honan, joining the Peking-Hankow and Tientsin-Pukow lines. This has lately been continued eastward to the new port of Haichow on the Kiangsu coast and is little by little reaching westward toward Tung-kuan, the "Eastern Pass" which leads into Shensi. The plan was that this road should be extended to Sian, the capital of Shensi, thence to Lanchow in Kansu, and on across Central Asia;

10. *The Cheng-Tai Line*—A short line leaving the Peking-Hankow road at Cheng-ting in Chihli and penetrating the mountains to Taiyuan, capital of Shansi, connecting that isolated province with the outside world;

11. *The Kiangsi Railway*—This line connects the port of Kiukiang on the Yangtze with Nanchang, capital of Kiangsi province;

12. *The Yunnan Railway*—From Hai-phong in Indo-China, the French built a line to Yunnanfu, capital of Yunnan province. This naturally draws all the trade of that great province away from China into French-controlled territory.

Besides these main lines several short lines and branches have been built in various parts of the country. Progress in railway building is at a standstill at present. It goes without saying, however, that one of the earliest interests of a Nationalist government over a united China will be the extension of railways.

Prospects of Further Changes

Having summarized changes already completed, it will not be out of place to mention some of the outstanding prospects in the way of further evolution of the map of China.

1. Britain is negotiating the return to China of the port of Weihaiwei on the Shantung promontory. This retrocession will make Shantung province once more completely Chinese. It should be understood that Weihaiwei was not seized in the same way that Kiaochow, Port Arthur, and Kwangchouwan were. When Russia took Port Arthur, China, feeling that at least Britain was the most honorable of her despoilers, asked her to lease Weihaiwei. Britain at first refused, but, awakening to the dangers of the Russian threat, accepted on the stipulation that the lease of Weihaiwei should cease when Russia gave up Port Arthur. The Russian lease was for 25 years. Japan took that over in 1905. In 1919 she forced China to extend the lease to 99 years. Britain today is not stickling over the terms of the lease but merely asking for a responsible government to treat with.

2. The Nationalists have already started a motor road to link temporarily the railheads between Hankow and Canton. The rails are to be laid as soon as capital can be found. It is interesting to note that students of Chinese history claim that Yuan Shih K'ai could have controlled the entire country with little difficulty had that railroad to Canton been completed. The 300 mile gap spelled defeat to him. That same gap delayed the present Nationalist revolution for months if not years, and makes constantly possible the setting up of an independent administration in Canton by a comparatively small group of malcontents.

3. Red propaganda in Sinkiang has been working steadily to sever that last of the outlying dominions from China, with what degree of success there is little reliable information to show. A revolt in Sinkiang has been rumored more than once lately and is a distinct possibility as long as China is disunited and weak. The only thing which will hold the New Dominion is the railroad for which General Feng has paved the way. Meanwhile Sinkiang finds its easiest outlet via the Transsiberian, through the branches which Russia has so carefully run out from the trunk line to the borders of Chinese territory.

Further than these there are plenty of possibilities which make interesting speculation for the student of Far Eastern affairs but are of little value to the general reader. What the Nationalists may do to this old map is another field. But this too may better wait until China is at least united. Suffice it to say that China has been through essentially similar changes before. The sequence of aggrandizement followed by disintegration is well known in Chinese history. The disintegration has always led through a period—sometimes shorter, sometimes longer—of warring States and robber barons, back to a united China, rejuvenated, ready to engage anew her age-old mission of spreading her ancient culture to the surrounding barbarians, who may overrun her but who have ever and again vanished into that most ancient melting pot of the races.

Foreigners to be Weeded Out of Chinese Railways

The Ministry of Communications at Peking has issued an order to directors of the Chinese railways to investigate whether foreign employees have faithfully discharged their duties and if not to dismiss them as their contracts expire and employ competent Chinese railwaymen in their stead.

U. S. Editors Comment on Chinese Affairs

Senator Bingham In China

(Bridgeport, Conn. Post)

Senator Hiram Bingham, who is over in China where he doesn't belong, trying to outline America's policy for the foreign relations committee of which he is not a member, suggests that we recognize both sides in the Chinese civil war, withdraw our traders from the interior, and maintain at least one American warship in every port where commerce is being carried on.

This, he thinks, will endear us to the Chinese.

And how should we have liked it if, during the Civil war, the British had accorded diplomatic recognition to both sides and had stuck a British gunboat in every American harbor?

Well, that's just how the Chinese would like it. Our policy should be to take our gunboats, marines—and senators—out of China.

Bingham and Chang Tso-ling

(Clarksville, Tenn. Star)

Senator Hiram Bingham, of Connecticut, recently made a visit to China. While there he called on General Chang Tso-ling, one of the Chinese war lords. General Chang thought to impress the Senator by having Mrs. M. Borodin shot on account of the communistic actions of her husband, who is the Soviet Russian adviser to the Hankow Nationalists government. Mrs. Borodin was formerly a schoolmaster in Chicago. When the General informed the Senator of his intentions, Senator Bingham told him if he shot her without a fair trial, the western world would consider him a barbarian. Thereupon the general replied:

"If that is the way you westerners feel about women, I won't shoot her. It always puzzled me why westerners were so foolish about their women."

This incident shows how women are regarded in China. Also it shows why China has not kept step in the progressive march of the world. The Chinese general was mistaken when he spoke of how "foolish" we are about our women. The Chinese are the ones who are foolish. We have only accorded women their rights. China is still lingering in the dark ages in its treatment of them. No conntry can have real permanent progress unless and until it accords to women the rights to which they are entitled by the laws of God and nature.

Bingham and Chinese Recognition

(Kalamazoo, Mich. Gazette)

Senator Hiram Bingham of Connecticut thinks that the United States should extend a limited form of recognition to each of the four regimes now holding power in China. After a prolonged study of conditions in that country, the senator evidently harbors but little hope that the day will soon come when any one government can be held responsible for the affairs of all the scattered Chinese provinces. In order that our own government may be free to negotiate for the protection of American interests at all times, he urges the sending of a "diplomatic commissioner" to the capital of each regime.

Undoubtedly, there is something to be said for Senator Bingham's proposal. At present our country recognizes only the so-called Central government of China at Peking. That government has become little more than a mere shadow of authority. Its leaders cannot pretend to speak for the entire Chinese nation; indeed, it is becoming more and more difficult for them to speak even for the small section of China over which they are supposed to hold sway. The steady northward advance of General Chiang Kai-shek and his Nationalist hordes bids fair to deprive the Pekin regime of the vestige of authority it has managed to retain.

It seems probable, however, that our government would increase the difficulties of the Chinese situation by sending representatives to all four governments. Senator Bingham's plan might work very well if China were actually divided into four separate and distinct parts, with each regime contented to remain in its allotted territory. The trouble is that the leaders of the warring factions are each struggling for control of the entire country. Recognition of all four, even by the sending of "diplomatic commissioners" rather than ministers, would be tantamount to recognizing each government as the government of all China.

As a matter of fact, our own government has managed to handle its Chinese problems very effectivevely without extending any formal recognition at all. It has found a way to deal with the revolutionary leaders in a manner which has proven satisfactory to all parties concerned. Our protest over the Nanking outrages, for example, was transmitted directly to the Nationalist regime and was given as much consideration

as it would have received if presented through regular diplomatic channels. So long as our recognition of the Pekin government involves no physical or moral support of that regime against its revolutionary foes, there seems to be little reason for a change of policy.

Bingham and Imperialism

(Austin, Tex. Statesman)

Senator Hiram Bingham of Connecticut has investigated conditions in China and interviewed the leaders of all the Chinese government, both military and civil, and this is his conclusion:

"The old days of foreign imperialism, extraterritoriality and special privileges in China are gone forever. The revolution is a fact. Armed intervention by the powers seeking a solution of the problems in China is utterly impossible. All the ills from which China is suffering are, in the Chinese mind, due to foreign imperialism. This thought is wide-spread and permanent, and intervention can only increase it."

Senator Bingham declared that the time has arrived for a revision of unequal treaties "and the sooner the start was made the better." This Connecticut senator is a statesman. He saw military service while the World War was on. He was a college professor before he became governor of his native state. He is widely traveled, widely read, and a man of affairs.

Men who know him best say that he has a large stock of horse sense.

Some college professors are said to be without horse sense. Bingham has it, and when he says the revolution is a fact he meant just what he said. He does not believe the Chinese national movement, broad and comprehensive as it is, is going to result in a united China. His viewpoint is that China is too large, the people's differentiation too great, to allow one authority, and lastly, because 400,000,000 people are too many to come under one government.

He will be home in September to inform President Coolidge fully on his conclusion. President Coolidge is a very cautious individual. He is opposed to armed intervention in China. He is opposed to armed intervention in Mexico. There is a presidential election coming next year. Americans won one great war for outsiders. They are not going to China to win another great war for outsiders.

Senator Bingham on China

(Lexington, Ky. Leader)

Senator Bingham, of Connecticut, scholar, university professor, explorer, soldier, author and statesman, one of the most widely-read and widely-traveled men in Congress, has been on a tour of China which has carried him into every province and has enabled him to talk with the leaders of every important faction in the country.

He has studied the personnel and the principles and methods of the four independent governments which are now functioning in China, and has returned to Shanghai in order to take ship for home. As usual he has certain very definite ideas about the situation, as he has surveyed it.

The first thing he said upon being interviewed at Shanghai went to the root of the problem. He used the following language: "The most noticeable fact is that whereas there are at least four independent governments in China, the United States is dealing with only one, that at Peking, ignoring the others; and, while there is a legation at Peking and a consulate at Hankow, the United States is altogether unrepresented at Nanking and Shansi....We have a number of Chinese-speaking, diplomatic, military and naval officers at Peking who are getting only one viewpoint, whereas, in my opinion, the best interests of our country would be served if they were assinged to duty with the different leaders....So far as the United States is concerned, we have more to gain by friendship with Nanking than with any other of the political entities. I am convinced that Doctor Wu is ready to satisfy the United States regarding the outrage at Nanking, and it is my opinion that the American consul should immediately return to that city."

This is the opinion of the best-informed observers outside the regular diplomatic service. Those who have the widest range of information concerning the movements in China have held for a long time that the Nationalists will ultimately prevail and that it is altogether likely that they will establish themselves in Peking before winter. The Kuomingtang party is the most truly representative of Chinese opinion. They are being sustained by a growing public sentiment. Their real strength is shown by the fact that China's representative at Geneva is governed by the orders of the Nanking government.

Of the future course of events Senator Bingham speaks as follows: "I can not attempt to foretell China's future, but certain facts are evident at this time: First, the revolution's deep-rooted permanent effects are changing the political and social characteristics of the people; second, there will probably be several governments in China for a long time, as size and complexities impede rapid unification; third, it is of no advantage for foreigners to attempt to impede the revolution or to interfere with the normal development of any one of the various governments by not recognizing it or recognizing only its opponents; fourth, Nanking, possessing the wealthy background of Shanghai, seems momentarily the most stable of the four independent governments. It actually controls more territory and engenders greater confidence among the substantial elements of the Chinese people."

America's Growing China Trade

(Baton Rouge, La. State-Times)

According to Julean Arnold, American commercial attache at Shanghai, our volume of trade with China has grown steadily until it now has a larger value than that of any other country. In proportion as our trade has grown, that of Great Britain and Japan has diminished with the result that for the first four months of the present year, accepting British figures as the source of authority for the statement, the United States was ahead of both countries.

Great Britain's reported opposition to the Nationalist movement is understood to have aroused widespread dislike on the part of the natives. As for Japan, the Chinese have long entertained a cordial dislike and suspicion of her activities in China and the growth of the Nationalist movement has only served to intensify this feeling. A series of boycotts in Chinese trade centers against both Great Britain and Japan has had the effect of improving the trade position of the United States to a measurable degree.

The friendliness with which the American government has regarded Chinese aspirations for self-determination has been gratefully marked by the more intelligent Chinese leaders and while the American policy in China was not designed consciously to affect the currents of commerce in our favor, it has resulted precisely that way. As a contemporary has expressed it, "Good ethics is good business between countries just as it is between individuals."

Robert Doller And China

(Lansing, Mich. Capital-News)

Robert Dollar, the veteran steamship man, who knows as much about oriental trade as anybody, makes this interesting comment on China:

"Chinese commerce has been increasing right along, notwithstanding the fact that fighting has been going on there for 10 years. Shanghai still ranks second among the world's ports."

That is hard to believe, and yet understandable when you consider the character of the Chinese people and their institutions. In most other countries government is the big thing. In China government is a rather small factor. In the midst of political campaigns or military campaigns—which are often the same thing—the economic and social life of the nation proceeds very much as usual. There is considerable disturbance, but nothing like what there would be in occidental countries in similar circumstances.

Peace, of course, will swell Chinese trade to greater volume. Mr. Dollar emphasizes that. "If China has been able to make such progress in the face of 10 years of civil war," he says "what will she do, what will she not do, when peace and government have been restored?"

It is a question intimately touching the prosperity of the United States, China's historic friend and biggest neighbor. Chinese progress means a big contribution to our own progress.

Trade And International Decency

(Plattsmouth, Neb. Journal)

If there is still any doubt that foreign trade and international decency are in pretty direct relationship, it ought to be dispelled by a contrast of the state of our trade with Latin America to that of our trade in China.

As everybody knows, we have for some time been in the habit of bullying and maltreating the little Latin American countries in order to induce them to meet the wishes of our international bankers and other privileged persons.

How has this affected our trade with these southern neighbors? It has knocked our trade into a cocked hat. We have not only lost the favored position in Latin America which we achieved by reason of the absorption of England and Germany in the World War, but we have even lost much of our normal commerce with these southern countries.

Now consider the case of China. There we have pursued a policy almost diametrically opposite to our policy in Latin America. We have demonstrated remarkable decency by refusing to join the allied powers in opposing the rising nationalism of the Chinese, we have indicated our willingness to give up our treaty control and extraterritorial rights, and we have recently sent Admiral Bristol, who cemented the friendship of the United States and the new Turkey, to the East, for the apparent purpose of repeating in China what he did in Asia Minor.

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This conduct has given us commercial supremacy in China, a prize wrested from Britain and Japan. According to Julean Arnold, American commercial attache at Shanghai, during the first third of this year, our trade had a greater value than that of any other nation. Incidentally, for this period, too, our commerce with China was greater than for any year prior to the war.

So it seems that the proponents of decency in our international affairs might do well to impress upon the public that the Puritan axiom about good morals being necessary to good business has its application to foreign relations.

America's Own Path In China

(*San Angelo, Tex. Standard*)

President Coolidge shows every inclination to make haste slowly in his dealings with China. There are people who do not like this. They do not see why we do not join hands with Great Britain and pursue a "strong policy" But every reason that can be advanced against entangling alliances in Europe can be advanced with even greater force against entangling alliances as regards China.

We stand in a different relation to China than do the nations of Europe. We, alone, have never grabbed off any Chinese territory. We, alone, have consistently and always fought for the principle of the open door to trade, but with special privileges to none. We, alone promptly returned to China the Boxer indemnity and thereby procured for Chinese students the means of coming to American universities and absorbing our culture.

The Chinese have long memories and they boast of it. They hated the Germany of the Kaiser, because Wilhelm II made his bumptious speech at the time of the Boxer troubles. They hate Japan because they fear her ambitions. And they are no lovers of Great Britain.

Not long ago there was published in Paris a translation of a book by a very wise and learned Chinaman in which he endeavored to interpret the Chinese spirit to Occidental peoples. In this he set down this deadly and ironic catechism, aimed at Britain:

"What is the principal object of man?
"To glorify the British empire.
"What is the worst sin?
"To trouble British commerce.
"With what design did the Lord create 400,000,000 Chinese?
"So that the English can do business with them."

When a vast nation feels thus bitterly towards England and at the same time feels that we are their friends, it behooves us to play a lone hand in dealing with the present Chinese problem. A modernized China, having worked out its own salvation and settled its own internal troubles, may well prove to be not only a profitable and grateful customer for American goods, but a formidable friend in case we ever need one on Asiatic shores.

Nanking Will Pay

(*Kalamazoo, Mich. Gazette*)

C. C. Wu, minister of foreign affairs for the Nanking or moderate Nationalist regime of China, says that the administration with which he is associated will make full reparation for the damage suffered by Americans during the disorders in Nanking last March. The minister made this statement in the course of an interview with Senator Wheeler of Montana, who has been in China on a survey tour. The senator was also assured that the Nationalist government would like to have the American consul re-establish his offices in Nanking, and that preparations are being made for the protection of missionaries in the interior of the country.

This does not mean that the moderate Cantonese leaders are ready to accept all blame for the Nanking outrages. Mr. Wu is careful to assert that his regime disclaims all moral responsibility for the unfortunate happenings, which he says were instigated by elements enjoying the shelter of the Nationalist organization. Probably the real truth of the matter never can be definitely established The whole city of Nanking was in a state of complete disorder on March 24, and the outrages may well have been the work of irresponsible mobs in no way associated with the Cantonese regime.

Technically, however, there can be no doubt that the Nationalist administration was responsible for the tragic events. It may have been extremely difficult, even impossible, for the victorious Cantonese to preserve order in the captured city, but that fact would not relieve the Nationalists of their legal responsibility. Their announced willingness to assume the burdens of reparation speaks well for the judgment of their leaders.

The Shanghai Barricades

(*Shamokin, Pa. Gazette*)

Lately they have been taking down the barricades in Shanghai. That is to say, the "foreign" settlements in that great commercial city have been removing the defenses they set up a few months ago, with dramatic impressiveness, to protect their white residents from the "fury of yellow hordes."

They were safeguarding themselves and their property particularly from the Nationalists, sweeping up from Canton, under the leadership of Chiang Kai-Shek. Those Nationalists, they loudly declared, were anti-foreign, red themselves and dominated by Red influence from Moscow, determined to sweep Europeans into the sea and establish a Communist system that would make China unsafe for all whites.

The Nationalists have reached Shanghai, and flowed around it like a river in flood, and swept on in pursuit of the shifty northern war lords and their tattered armies. And the frightened foreigners in Shanghai are safe—so safe that they stop shrieking for armies and navies to defend them, and resume business as usual.

It is seen now more clearly that the great misses of Chinese are not rabid against foreigners, as they were in the Boxer movement of a generation ago; that there was a lot of false propaganda sent out from Shanghai to win the attention of the powers; that the Nationalist party and army represent in a general way, the best aspirations of modern China; that Moscow has had far less influence in Chinese policies and programs than the world was led to believe; that the greatest peril to China lies not in the Cantonese movement, but in the northern movement for reaction, led by men who represent brigandage and reaction rather than principle and intelligent modernism.

Where The Chinese Are Right

(*Charleston, W. Va. Mail*)

Light on the new attitude of the Chinese mind toward foreigners and to their influence in that country is being disseminated in this country by missionaries who have returned to the United States because they were not permitted to remain in China. These missionaries see their work neutralized in many respects; but at least a good many of them observe the mistakes that were made and are candid in admitting them.

Why do the Chinese close foreign schools in China when all China is awakening to the need of education on modern lines and has to rely greatly on foreign schools and methods?

The Chinese say that the missionary schools were conducted not primarily to educate the Chinese but to Christianize them; so the Chinese take over the schools and say that must be devoted, as schools, to education exclusively; at the same time this education must be Chinese, not American nor British. What does this mean? Simply this, that Chinese text-books and not foreign text-books will be used, and Chinese will be the instructors.

What will China gain by this? Much, very much. It is said that in one missionary Chinese school the problems in arithmetic for Chinese to work were in pounds and pence and dollars, which meant nothing to the Chinese mind and made no appeal to it. In botany and in zoology the Chinese student studied about plants and animals he had never seen, mere abstractions to him, while China has plants and animals no other country has. These remained to the Chinese the same mystery they always had. In history, the Chinese were taugth Greek and Roman and European and American history, while Chinese history was totally neglected—"and yet," as one missionary puts, "China has more history than all the others put together."

What would we think of an education for our children that was as foreign, as far away from our lives and interests and as remote from our natural perceptions and consciousness as this? We would not tolerate it.

China has done the right thing, the only thing a people awake, self-conscious and on the road to self-development could do. Furthermore they have a perfect right to do this.

Nor need there be any fear for the future as the consequence of this new attitude of the Chinese mind and of the new course of action in China. China will remember that the first impulse came from these missionary and foreign schools even if that impulse was secondary and the work was done in a bungling manner. The more enlightened we all become the better.

America in China

(*Madisonville, Ky. Messenger*)

American merchants in China are raising a loud protest against the imposition of new taxes by the Nanking nationalist government. They are demanding that United States Consul-General Cunningham do something about it. They declare the Chinese taxes to be confiscatory.

By the way, where have we heard the term "confiscatory" used before? Nowhere else than in the United States itself. What with municipal taxes, county taxes, state taxes and federal taxes the American merchant or industrialist on his home ground has considerably more to complain of than his brother in China. Take, for example, the case of American railroads

"If a mechanic wishes to produce excellent work, he must first of all sharpen his tools."

—The Discourses of Confucius, Book VIII, Wei Ling Kung Chapter 15, Verse 9.

Twenty-five centuries ago, Confucius put down in his teachings this simple truth. Consciously or unconsciously, it has been followed by the Chinese workers day after day.

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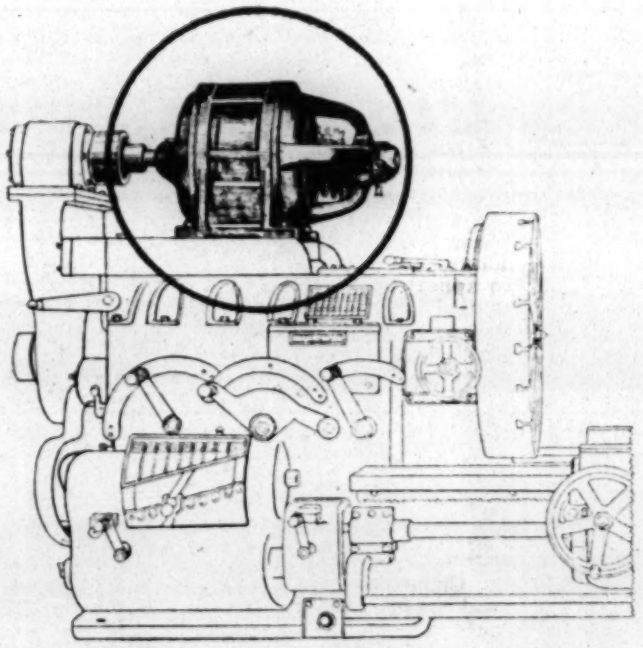

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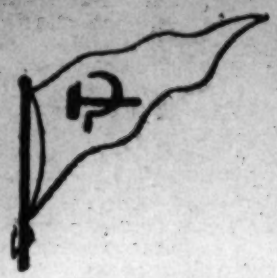

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alone, where out of net earnings more is paid in taxes than in the dividends to stockholders.

The American merchant in China complains of 2½ per cent. being added to the 5 per cent. ad valorem tariff on imports while his brothers in the United States live under a tariff that is nearer 45 per cent. on many articles. If American merchants in China feel that the going is hard they have only to come home to pay their taxes, In fact, imposition of new taxes in China might readily be accepted as a sign that the Chinese are becoming Americanized.

Japanese Policy Toward China

(Parkersville, W. Va. News)

As the nationalist armies move northward in China and spread through the province of Shantung, the Japanese foreign office finds itself in a peculiarly difficult position. It faces the task of protecting the extensive Japanese interests in the province it formerly held in complete control, and ultimately those special rights in Manchuria which have become vital to Japanese welfare, and at the same time its future relations with China are felt to be dependent upon the maintenance of friendly relations with the victorious nationalists.

It has not as yet succeeded too well in reconciling protection of Japanese nationals with cordiality toward those forces believed to threaten their interests. The dispatch of troops to Shantung and the move to take over the Shantung railroad are not conducive to increasing confidence in Japan's intentions. The Chinese remember too well the sorry history of Japanese control of Shantung, which started with the famous Twenty-one Demands and only ended with the special agreement signed at the Washington Conference. They easily visualize a permanent return of Japanese influence, and only the most emphatic assurances of Japan that her movements in Shantung have no ulteror motives and the most careful control of her troops can hope to allay Chinese fears.

But even more important is the situation in regard to Manchuria. Japan's natural interests lie with the northerners, as the closest co-operation has long existed between Japan and General Chang Tso-lin, the Manchurian war lord, and there can be no doubt that a nationalist victory might seriously threaten Japan's special position in Manchuria. But on this issue Premier Tanaka has made it plain that his country will stand firmly on its rights, and while ready to cooperate with any plan for the stabilization of the country which "respects our position" is prepared to defend Japan's legitimate interests should disturbances spread.

While the nationalistic disturbances were confined to the Yangtsze valley Japan could well afford to set an example of non-interference in the internal affairs of China, But now that the situation is being brought nearer home she finds this exemplary attitude somewhat more difficult. The policy of the foreign office is to reconcile two divergent interests, but the future of China-Japanese relations is dependent upon the emphasis which is placed upon a friendly program of non-interference. Any policy of expediency which would lead to aggressive protection of her nationals in Shantung or covert aid to Chang Tso-lin and the northerners would seriously prejudice Japan in the eyes of all China.

Shanghai Exports to the United States

The report issued by the U. S. Consulate General of exports from Shanghai to the United States for the month of July, 1927, shows a general decline as compared with the same month a year ago, although the figures do not show such a great depression as might have been expected in view of the civil war in the Yangtsze Valley, from which district most of the exports from Shanghai are drawn. The total exports to the United States from Shanghai for July this year were Gold $3,230,503. For July last year they were $4,911,332.

Although the importance of silk in relation to the exports from the whole of China is declining, silk maintains its relative importance in the exports from Shanghai. The export of the various kinds of silk from Shanghai to the United States declined more than a million gold dollars as compared with the month of July last year.

Although tea has in recent years declined in importance in China's exports it is still the next most valuable export to the United States from Shanghai after silk. The export during the month under review was $303,644.

Cotton lace was exported to a value of $71,861 and linen embroideries to a value of $99,436.

One of the interesting items of export from Shanghai, although relatively unimportant, is that of "rush" hats of which 153,058 were exported last month to the United States. Their total value was given as less than G$3,000, which makes the value per piece less than two cents. These hats come mostly from Ningpo and the business is a monopoly of one single French firm. Many of these hats are destined to be shaped into the latest thing in female headgear and many a fashionable woman would be surprised to learn that her latest fashionable and expensive confection originally cost such a trifling sum.

The Question of Chinese Representation

(Reprinted from the Japan Chronicle, British newspaper published at Kobe, Japan)

MR. Stirling Fessenden, the Chairman of the Shanghai Municipal Council, is described in a Shanghai dispatch as looking upon the Chinese with "kindly, understanding eyes." Presumably the understanding does not get any further than the eyes, for according to the same dispatch he is of the opinion that foreign trade with China can be maintained by the use of armed force. Shanghai exists for the purpose of trade. If the trade was killed, if the Chinese refused to buy from or sell to the foreigners, the value of Shanghai would be nil, the value of the vested interests would be nil, and the whole fabric of commercial interests would fall to the ground. And yet Mr. Fessenden, who is a Diehard of the Diehards, believes that Shanghai can carry on only if it is protected by an armed force of foreign troops. The telegram above referred to describes in flamboyant terms an interview between Mr. Fessenden and Dr. C. C. Wu, the Chinese Minister of Foreign Affairs. Other foreigners and other Chinese were present, and the subject of discussion was the resolution of the Shanghai Municipal Council to increase the municipal taxes by 2 per cent. This increase the Chinese have refused to pay on the ground that they have no representation on the Council. Dr. Wu appealed to Mr. Fessenden, who is an American, as to whether the principles of his country allowed taxation without representation, but Mr. Fessenden did not answer the question, although he stated later that the Chinese had been offered representation on the Council,—represenation which, he did not add, was powerless in the face of a large majority. Instead Mr. Fessenden pleaded that the amount of the increase was very small; it amounted to very little per person; and that the real motives of the Chinese were known to him. He had not lived 25 years in China for nothing; he had known his interlocutors when they were "swaggering students" just returned from an American university; he knew what they wanted to do. They wanted to wrest the Shanghai Settlement from the foreigners. It was only the arrival of the British troops which had frustrated them. Without the presence of the troops they would undoubtedly have taken the Settlement "and the civilised world would have shuddered at new horrors." Mr. Fessenden, who has lived 25 years in the country, evidently regards Shanghai as the centre of the universe and the spot on which all the eyes of the world are turned. To him the existence or non-existence of Shanghai means the continuance or end of the world. It might be possible for Shanghai, which is notorious as a breeder of lies, to give a little excitement to the world by the circulation of sensational stories of outrages, etc., but the world is a little wider and a little less civilised than Mr. Fessenden thinks. It is true that it has a little conscience left and the more civilised parts greatly resent being treated as if they were barbarous tribes, although it is not quite so clear whether their sympathies are extended to others who suffer this treatment. Noblesse oblige is a very good motto, but it is evidently regarded as not applicable in all cases. The horrors that would have overtaken Shanghai in the event of there being no foreign force there, must be left to Mr. Fessenden's imagination.

The Chinese at Shanghai represent 95 per cent. of the population according to Mr. Fessenden. One would think that this was an argument in favor of giving them the largest representation. Mr. Fessenden uses it as a means of showing that the Chinese are very lightly taxed, because it appears that they only pay 55 per cent. of the taxes, whereas, of course, they ought to pay 95 per cent. Perhaps it is that the Chinese at Shanghai are not so rich as the foreigners and do not live in buildings that are assessed at such a high value. There are many ways to account for the percentage of the taxes not equalling the percentage of the population—so many, indeed, that there seems to be no logical connection between the two percentages. Indeed, it would be a strange city if fortune had distributed her favors so equally that 95 per cent. of the population could pay the same percentage of the taxes. A more pertinent investigation would be as to how the Chinese came to be allowed to live in the Settlement. Was it a concession made out of pure good will? Or was it that it benefitted the Settlement to have Chinese live in it? Did the entrance of the Chinese cause a competition which sent up the price of land and rents, or what exactly was the reason why the Chinese were admitted? Perhaps they could be now bought out. This would at once settle the question of Chinese representation and the amount of taxes they should pay, although, of course, to get rid of 95 per cent. of the population would be a hard blow to Shanghai. Whichever way the matter is regarded there seems to be some reason for admitting the Chinese to the Settlement and some reason for keeping them there,—reasons not altogether disadvantageous to the Settlement. But if the Chinese were admitted for the benefit of the Settlement it seems to be hardly right to demand that they should have no voice in the administration of the affairs of the Settlement,—for the representation that the Municipal Council is willing to allow them practically means that they shall be powerless,—and to tax them as if they had such representation.

Of course it must be conceded that in return the Settlement offers certain advantages to Chinese residents. It provides that security which is so often lacking outside, especially to Chinese generals and statesmen who suffer from temporary reverses. Seriously, of course this is a substantial benefit to the Chinese. But people are so apt to overlook benefits which have grown old and musty with time. The Chinese have so long regarded the Settlement as a place of refuge that they may be pardoned for having overlooked the benefits thus conferred by the City fathers. The Chinese, like Oliver, are asking for more, and the shocked Mr. Fessenden, who has lived 25 years in the country and has never seen such things happen before, like Mr. Bumble, sees in this demand something of sinister import. The Shanghai Municipal Council has offered the Chinese representation on the Council and has agreed to open the parks and public spaces to them. What more can they want, asks Mr. Bumble, and the Municipal Council solemnly echo their leader. The Council is quite determined to get its 2 per cent. extra, and the Chinese are said to be equally determined not to pay. Whether they will adhere to this resolution or not remains to be seen. It can only be suggested that the present seems a very inopportune time to make such a claim. Perhaps Mr. Fessenden thinks it is a very opportune time when the city is under occupation by an armed force, which takes us back to the belief that he evidently holds that trade with China, for which purpose the foreigners are there, can be carried on under force. He has been suffering under this obsession for a long number of years, and no doubt it is hard for him to get rid of it. Nevertheless he should really endeavor to take a clearer view of the world around him.

International Institute Makes Appeal For Funds

In order to cover a deficit in the budget of the International Institute of China, said institution, which was founded by Dr. Gilbert Reid, who has been confined to hospital for more than half a year, is making an appeal for funds, chiefly for the purpose of meeting the budget deficit of Tls. 881, paying off the Evening School deficit of Tls. 1,400, and providing a salary for the Director-in-chief, who relinquished his salary in order to cut down expenses for the coming year.

The first contributions in response to appeals have already been received by the Institute, coming from a Briton and an American. In a recent issue of the Institute's bilingual publication, *The International Journal*, besides the appeals and usual contents, there appeared two lists of contributors, one called "the Institute's New Honor Roll" and made up of recent donations, the other consisting of contributors since 1916 in the order of their donations. This latter list is headed by Dr. Reid with approximately Mex. $20,000, followed by Marshal Wang Huai-ching, former military governor of Peking, with Mex. $1,300, ex-President Li Yuan-hung with $1,000, and Sir Robert Ho Tung with Mex. $600. Dr. Reid's donation more than equals his salary during the same period, thus practically cancelling his salary. He has received no financial support from any mission board since 1894 when he started his work as a "Mission Among the Higher Classes".

Since 1916, according to figures compiled by J. G. Reid, secretary of the Institute and son of the Director-in-chief, a total of Mex. $40,500 has been received by the Institute in the form of membership fees and donations, while Mex. $59,100, has been expended by way of payment to Institute officers and employees. This shows that expenses are not met by contributions alone but also by revenue from Institute property. Chinese have given Mex. $10,800; Americans (other than Dr. Reid as already reported) have given Mex. $5,000; and other nationalities, German, British, Japanese, Austrians, Dutch, etc., have given Mex. $4,850. The Chinese employees of the Institute have received Mex. $32,300, while the American staff has received Mex. $26,700 (including Dr. Reid's Mex. $19,700).

The international character, one of the aims of the Institute, is indicated even in the financial part of the work, although two nationalities only make up the Institute staff. Hower, as expansion of work depends entirely on voluntary contributions, the Trustees have voted that appeals be made to enable the Institute to carry out its present program inaugurated by Dr. Reid a year ago on his return to Shanghai from his headquarters in Peking.

The Chinese Library Of Columbia University

BY J. C. KWEI*

NO man is immortal. Ponce de Leon tried to seek the fountain of youth in Florida, but failed. Tsing Shih Hwang, China's Napoleon, wished an immortal life. Again he reached nowhere. Yet in the mind of the Chinese, there are at least three immortal, or incorruptible things, which all begin with the letter W—Words, Work, Worth.

As New York is the world's metropolis in wealth, population, commerce and so forth, it also ranks high as an educational centre. Everybody who has spent even a brief period in New York city realizes that the mere suggestion of the word, Education, immediately reminds one of Columbia University. Who does not know and feel the importance of the Morningside Heights? But the heart or centre of Columbia, as described by President Nicholas Murray Butler at the opening of the School of Library Service in the fall of 1926, is the Library. On the fourth floor of the library, near the southwest corner, stands the immortal Chinese Collection. It is immortal in the sense that its very existence and substance are entirely based upon the three immortal things.

History

In the middle part of the Nineteenth Century, the story of the discovery of gold in the hills of California attracted the attention of the people, far and wide. Their whole ambition was to make a fortune overnight among the hills where gold was discovered. Every one was in a state of excitement over speculation. It was therefore difficult under such conditions to secure labor for the ordinary tasks, connected with railroad construction, mining, gardening, laundrying, cooking, and so forth. The great need of ordinary laborers at that time may be well inferred from the fact that the price for laundry work was higher than that asked for the articles themselves. Most of the laundry work was done in Honolulu and returned in about sixty days. Of course this does not indicate that the early American settlers were so absorbed in gold that they had to change their clothing once in sixty days, but this does prove that more muscle was required than brains.

For this reason, if no other, inducements were soon offered to the Chinese farmers in the southern part of China. People from twelve families and from thirteen counties in Kwangtung Province came to United States to answer the call. These newcomers were largely peaceful, industrious, law-abiding, and admirers of Confucius and other sages—miners, railroad laborers, gardeners, servants and so on.

Among the many mining camps at that time, there was one under the control and management of H. W. Carpentier. He had a Chinese servant, whose name was Dean Lung, a member of the early Chinese immigrants. We do not know much about him, aside from the fact that he came from Kwangtung and followed the best traditions and heritage of China. His whole heart and soul were consecrated to service, rather than to fortune.

When the dreams of immense wealth were disturbed by the awakening of failure, Carpentier's associates and employees began to murmur and grumble. It was not a seldom sight if they should come to blows. But Dean Lung complained to no one. He executed his duty patiently, loyally and faithfully, as a sharp contrast to what others were doing. On one occasion, Mr. Carpentier asked for an explanation of his daily conduct. To this, he proudly replied: "I am an admirer of Confucius and other sages. Confucius told us that if there is any one rule which may guide a man in all his life, it is this: 'Whatever you do not want done to you, do not do to others.' This is my only excuse and explanation."

These simple words, together with Dean Lung's work and worth, made a deep impression upon Mr. Carpentier. As soon as the former died, the latter wished to remember him in a most appropriate manner, and in the meantime came to the conclusion that the coming together of East and West means prosperity and cultural enrichment for both sides. Actuated by these reasons, he donated a certain sum of money for the establishment of a Chinese department and a Chinese library at Columbia University.

Mr. Carpentier ought to be congratulated upon this splendid deed, which is a real monument of human brotherhood and fellowship. In making a gift like this, he set an inspiring example for men of the world. In every land and every clime where people love brotherhood and friendship, their hearts and souls will ever thrill at the mention of Dean Lung and Carpentier.

Present Conditions

The Library contains at present more than ten thousand volumes and receives about fifty periodicals, including all Chinese daily newspapers printed in the United States and some representing different sections of China, as Shanghai, Peking, Hankow, Canton. Perhaps the most interesting book is the Ching Ting Tu Shu Chi Cheng, or a Collection of Books and Pictures, Ancient and Modern. This is a classified encyclopedia, first published in 1723, and is made up of no fewer than 100,000,000 words in 1,628 volumes of about two hundred pages each. When the United States Congress decided and authorized President Theodore Roosevelt to return to China the Boxer Indemnity in 1908, the Chinese Government took the occasion to present two copies of this stupendous work to two leading American libraries. One copy went to the Library of Congress, Washington, D. C., and the other was given to the Library of Columbia University. Although these two copies do not belong to the original edition, they are almost exact reprints, put out by the Tsung Li Yamen (Chinese Foreign Office) in an edition of two hundred and fifty copies.

Arrangement and Location Of Books

Books are classified by subject according to the Chien Lung's Imperial Catalogue of Chinese, the Ssu Ku Chuan Shu Tsung Mu, which classes all books in four main divisions, *i. e.* Classics, History, Philosophy and Miscellany. In order to make the classification more workable, an extension class has been added. Large books are in general shelved at a special place, and exceptions to their locations are marked on the catalogue cards.

The card catalogue furnishes a record of the books in the Library. Back numbers of magazines are kept on the magazine cases, while the current numbers are displayed.

Questions as to the material in the Collection on a given subject, including the use of the catalogue, and suggestions as to the improvement of service, are welcome, as the Library desires nothing so much as hearty cooperation.

During the past year, there were nearly three hundred Chinese students in Greater New York, about 240 in Columbia and 60 in New York University. To many of them, the opportunity of reading Chinese books, old and new, and periodicals, far and near, which is so seldom offered in America, has made their living in New York city a most delightful and memorable one.

In short, Confucius died, but his words are still immortal. Dean Lung passed this mortal life, but his work and worth gave the birth of the Chinese Library. In turn, the Chinese Library should be immortal, as long as it is a carrier of news and knowledge, a promoter of mutual understanding, and a bond between the East and West.

* The writer is grateful to Mr. Roger Howson, Librarian of the University, Mr. L. C. Goodrich of the Chinese Department, and Mr. M. L. Tuan, for the material.

Japan Is Largest China Creditor

Japan has the largest investments in China of any nation, according to the *Manchuria Daily News*. Those who conclude that Manchuria absorbs most of the interest may be surprised to know that Japan holds the overwhelming financial interest in the Yangtsze basin also. The Japanese investments are approximately Yen 1,900,000,000, Speaking of trade with China, the volume of Great Britain is about 22 per cent of the total, the Japanese share being as much as 31 per cent. Along the Yangtszekiang, which is a sort of a special zone to Great Britain, British investments are placed at Yen 90,000,000 while the Japanese investments in the same Valley are roughly Yen 270,000,000.

According to a report published by the Sino-Japanese Business Association, the Japanese investments at Shanghai, Hankow, Tsingtao, and Tientsin combined, are as follows, the unit being Yen 1,000:

Spinning industry	230,000
Other industries	110,000
Shipping	57,000
Real estate	100,000
Total	497,000
Japanese investment, elsewhere in China	25,000

In Manchuria

Transportation (Railways, etc.)	330,000
Trade	15,000
Industry	74,000
Agriculture	19,000
Mining	8,000
Marine products	15,000
Advances by bank	626,000
Real estate	150,090
Total	1,337,000

In addition, Japan is creditor to the Peking Government and to other administrations to the amount of Yen 700,000,000.

The Precarious Position in Canton

BY F. K. WU

A reign of uncertainty pervades in Canton with the downfall of Marshal Chiang Kai-shek. Competent observers here who were associated with the Nanking general long predicted his approaching end as the Kwangsi clique has been working overtime for his eclipse.

The leaders of this clique are Generals Li Tsai-hsin, chief military figure in Canton, Wong Shiu-hung of Kwangsi, and Pei Hsung-hei and Li Chung-yen of Nanking. General Li Tsai-hsin has about 20,000 soldiers in Kwangtung under his command. However, they are all newly recruited; practically all his picked troops led by General Chang Fa-kwei were killed in the campaign against Wu Pei-fu.

Realizing the lack of forces in the provinces, General Li welcomes those of General Fan Shek-sang, a mercenary commander, whose forces have already been despatched to the northern border in anticipation of an attack from Kiangsi or Hunan. General Fan is always ready to assist whatever side that will come out victorious or that will supply money and equipments to his army. Hence, Fan's support can be counted upon as long as Li is in power in Kwangtung.

At present all the important military posts are held by trusted subordinates of Li Tsai-hsin, but on the other hand nearly all the civil officials owe their appointment either to Chiang Kai-shek or Hu Han-min in Nanking. While Kwangtung was nominally under the jurisdiction of Nanking, it was known for a long time that General Li Tsai-hsin had never been a loyal supporter of Chiang Kai-shek. Just on the eve of the Northern Expedition, an open clash between Li and Chiang was to have occurred but the affair was hushed up at the last minute. Naturally, Li wanted his own men to fill all civil as well military positions, and was much perturbed when he found that Nanking appointed all its men to fill important offices in Canton.

As civil officials have not the support of force, General Li does not object to their assumption of office. Important provincial officials are Li Man-fan (Civil Affairs), Chen Yung (Justice), Tseng Yan-po (Reconstruction), and Koo Ying-fan (Finance). General Tang Yin-wah, the police chief, is a right hand man of Chiang Kai-shek while the Mayor of Canton, Lin Wen-kai, is a supporter of Koo Yin-fan who holds the concurrent post as Minister of Finance in Nanking. With the change at Nanking, these gentlemen have to quit sooner or later.

The man to be watched is of course Li Tsai-hsin. Though a military man, he is a very cautious man and says little. His position in Kwangtung would have been secured, but for several obstacles in the way. While Chiang Kai-shek is charged with being a "new militarist," many Cantonese believe Li, a native of Wuchow, to be a "small militarist," in that he wishes to be the overlord of Kwangtung and Kwangsi.

He is very unpopular with the working classes as he has suppressed all labor demonstrations and strikes. His subordinate officers are divided into two factions with the left wing in the ascendency. All workers, most of whom are suspected Reds, appear anxious to overthrow the present regime and to usher in a more radical administration. Three attempts were made to assassinate the Canton general, but fortunately he escaped uninjured.

The recent split of the Hankow Government has also a great effect on the situation here. Madame Sun Yat-sen became dissatisfied with the way in which General Tang Sengtse handled affairs in Hankow and withdrew to Shanghai. Her supporters, or at least sympathisers are Messrs. Eugene Chen, T. V. Soong, Kuo Mu-yuk, General Ho Lung, and General Yeh Ting. Since they have no base to carry out their activities it is reported at this time that they are planning to return to Canton in view of the fact that the province yields over $100,000,000 a year. Rightly or wrongly, they declare that they are the real followers of Sun Yat-sen while those in Nanking and Hankow are mere shams.

General Yeh Ting's soldiers are somewhere on the Kwangtung-Fukien border. The entire army consists of about 30,000 picked men who until recently comprised the much-dreaded "Ironsides" formerly under Chang Fa-kwei. Mostly Cantonese, these troops are reported to be anxious to return to their native land. They will fight their way back *via* the East River districts instead of the northern border, where over 20,000 soldiers are on guard.

Whether Madame Sun Yat-sen's group can return to Canton is a subject of interesting speculation. That there will be impending changes down here appears certain. The situation is full of possibilities.

Hongkong, August 20, 1927.

Emergency Aid for Chinese Students in the United States

As a result of the efforts made by several prominent persons, both American and Chinese, who are interested in the welfare of the Chinese students and their plight in the United States on account of the unsettled conditions in China, a loan fund has been established by John D. Rockefeller, Jr. to afford these students temporary emergency aid. The original grant was $10,000,000 gold; due to the continued disturbed conditions in China, those students who have availed themselves of the opportunity have not yet been able to repay the loans. Another grant of the same amount has just recently been made in order to continue the work.

The fund is administered by a committee—the Committee on Emergency Aid for Chinese Students—appointed by His Excellency the Chinese Minister at Washington, Dr. Sao-Ke Alfred Sze. The following are its members:

Dr. A. L. Warnshuis, International Missionary Council, (Chairman).

Dr. Edward H. Hume, Formerly President of Yale-in-China, (Secretary).

Dr. Stephen D. Duggan, Institute of International Education.

Dr. P. W. Kuo, Director, China Institute in America.

K. C Li, President, Wah Chang Trading Corp.

Egbert Hayes, Friendship Committee, Y. M. C. A.

Charles A. Herschleb, Foreign Committee, National Councils of Y. M. C. A. of U. S. A. and Canada.

Roger S. Greene, The China Medical Board, (absent in China).

Dr. William F. Russell, Teachers College (absent in Europe).

The *Chinese Students Monthly* of May 1927 has the following editorial on the subject:

"It is with deep gratitude that we announce that John D. Rockefeller, Jr. has made a loan for the temporary assistance of the Chinese students who, on account of the civil war in China, are now in financial need. Applications for such assistance will be received by a committee . . .

"As a result of the conditons at home, many students have been put in a distressing position. No stone has been left unturned to secure a solution to the vexing problem; for, no doubt, many among the number are worthy and conscientious students. But for the assistance now forthcoming from John D. Rockefeller, Jr., scores perhaps of these students would be compelled to pursue studies with constant mental anxieties as to the problem of dodging university bills and possibly starvation. In order to show appreciation by the Chinese students as a body of such a generous act, we can easily cooperate by abstaining from sending in applications unless our conditions are such that step is absolutely necessary. And for those who apply for and receive the assistance, may we urge them to return the loan to the committee at the first opportunity that comes their way? We must avoid making ourselves the parasites of charity. Accepting necessary and temporary assistance for obtaining the goal we have been sent to this country for is entirely different from securing the means of a living from the source of least resistance".

It is stipulated that only those Chinese students who were in the United States when the grant was made are qualified to apply for a loan.

Promotions and Changes in U. S. Foreign Service

The following promotions and transfers in the U. S. Foreign Service in the Far East are reported by the State Department's bulletin of July 9:

David C. Berger, consul at Tientsin, has been transferred to Swatow.

Samuel Sokobin, consul at Mukden, has been transferred to Tientsin.

John K. Caldwell, assistant chief of the Far Eastern Division of the State Department, has been promoted from Class 3 to Class 2.

Edwin L. Neville, consul-general at Tokyo, has also been promoted from Class 3 to Class 2.

John K. Davis, recently consul at Nanking, but now Chinese Secretary at the Legation, Peking, has been promoted from Class 6 to Class 5.

J. C. Huston, consul at Canton, has also been promoted from Class 6 to Class 5. Mr. Huston was formerly consul at Hankow.

Robert Y. Jarvis, consul detailed to Shanghai, has been advanced from Class 8 to Class 7. F. L. Thomas, also detailed to Shanghai, has been promoted from Class 8 to Class 7.

Salary increases are noted for Selden Chapin, third secretary, the Legation, Peking; J. Hall Paxton, vice-consul at Nanking; and John Carter Vincent, vice-consul at Hankow.

H. Merrill Benninghoff, clerk at the U. S. Consulate-General at Tokyo, has been promoted to vice-consul.

General Sun Chuan-Fang's Attempt To 'Come-Back'

BY J. B. P.

General Sun Chuan-fang, former tupan of the five 'southeastern' provinces of Kiangsu, Chekiang, Kiangsi, Anhwei and Fukien, is now making a desperate effort to return to power in the Lower Yangtsze area. After Gen. Sun was driven from the Shanghai area by the Nationalists last spring he retreated with a small force into northern Kiangsu along the Grand Canal and then later on when the Nationalists occupied northern Kiangsu, Sun and his followers, consisting of little more than a body-guard, retreated into Shantung province and occupied a small area west of Tsingtao with his headquarters at Weihsien on the Tsingtao-Tsinanfu Railway. At that time it appeared that Gen. Sun Chuan-fang was practically finished as a military force in China, but when the Japanese sent troops into Shantung, Sun managed in some way to stage a 'come-back' and was directly responsible for the failure of the Nationalists to capture Tsingtao, due to his cooperation with the Japanese in forcing the reopening of the Shantung railway after it had been cut by one of the subordinate commanders of Gen. Chang Chung-chang, tupan of Shantung, who had gone over to the Nationalists.

Sun Returns to Power

Shortly after this event Gen. Sun Chuan-fang went to Peking and managed in some way to raise new funds and obtain fresh military equipment of the most modern character. Just where these came from is pretty much of a mystery, the Nationalist propagandists alleging that it came from the Japanese and British. At any rate he obtained the sinews of war somewhere and, taking advantage of the split in the ranks of the Nationalists between Hankow and Nanking, he staged a 'come-back' and assisted in the defeat of Gen. Chiang Kai-shek's forces in southern Shantung and finally in Northern Kiangsu. As these lines are written Gen. Sun is in control of practically all of Kiangsu province north of the Yangtsze and also a considerable section of Anhwei province bordering on the Tientsin-Pukow Railway from Hsuchowfu to Pukow, the last named city being opposite Nanking, the Nationalist capital.

Gen. Sun Chuan-fang, who is Trying to 'Come-Back' to Shanghai

The Attempt to Cross the Yangtsze

Immediately after capturing the port of Pukow, Gen. Sun commenced a furious bombardment of Nanking from the Northern bank of the Yangtsze, using artillery of a larger caliber and greater radius than the Chinese have heretofore possessed. Under cover of the artillery, Sun's troops, numbering approximtely 5,000, managed to cross the Yangtsze between Nanking and Chinkiang and for a time it seemed that they might obtain a foothold. But Gen. Bei Tsung-chi, the Nationalist commander, recently appointed Defense Commissioner at Shanghai, in cooperation with the other Nationalist commanders, Ho Yin-chin and Li Tsung-jen, by marshalling all of their forces in the Nanking area were able to surround Sun's troops and defeat them after a heavy battle which lasted from Friday, Aug. 26 to Monday, Aug. 29. The Nationalists claim that at least 3,000 of Sun's troops were killed in the fighting, but this has not been verified. At any rate Sun's first attempt to cross the Yangtsze was frustrated and while speculation is dangerous, it appears that Sun will be unable to regain control of the Shanghai district, for the present at least.

Wu-han Moves Down the Yangtsze

The chief reason for Sun's apparent inability to regain control of the Shanghai area is the rapid dispatch of troops from Hankow to Anking, Anhwei province, for the purpose of assisting the Nanking generals in holding this area against the Northerners. According to reports from the Nationalist camp, the Wu-han troops are being dispatched across southern Anhwei in a northeasterly direction with the object of menacing Sun Chuan-fang's lines of communication with the North along the Tientsin-Pukow Railway and the Grand Canal. If they are successful in accomplishing this object before Sun can cross the Yangtsze and capture Nanking, Sun will be forced to retreat again to Shantung province where he is not likely to receive a very hearty welcome from Gen. Chang Chung-chang, tupan of that area, who is not overly friendly to Sun, due to fear that Sun has designs upon Shantung in case he cannot recover possession of Kiangsu.

Military Situation in the North

Marshal Chang Tso-ling, who has now become an outright agent of the Japanese, has been trying to take advantage of Gen. Sun Chuan-fang's drive against the Nationalists at Nanking to stage a general drive against Feng Yu-hsiang in Honan province, the plan of procedure being to attack Feng on two fronts, the first being down the Peking-Hankow Railway from the north and the other from the East along the Lung-Hai Railway from Shantung and northern Kiangsu. Marshal Chang Tso-ling has charge of the first drive down the Peking-Hankow line and the other is being conducted by Gen. Chang Chung-chang, tupan of Shantung and Gen. Chu Yu-puh, tupan of Chihli province. It is reported that some 30,000 troops are being used along the Lung-Hai while Marshal Chang Tso-ling is reported to have a much larger force on the other front. *Reuters*, the semi-official British news agency, in a report from Peking last week expressed the opinion that Feng Yu-hsiang would shortly be forced out of Honan and back into Shensi province and that Marshal Chang Tso-ling would be in control of most of China before the end of the year and accordingly would have himself elevated to the presidency of the country. However, it remains to be seen whether this program will be carried out and if one dared to speculate on anything in China it would seem more logical to believe that the situation will remain pretty much as it is now for several months, or possibly until next spring when the new war season will open. As a matter of fact the Nationalists have announced their intention not to push the war into the North further than the Shantung-Kiangsu border for the present and to leave the continuance of the Northern campaign against Marshal Chang Tso-ling to other Revolutionary forces in the North, meaning by this, Feng Yu-hsiang and Yen Hsi-shan.

The Fly in Marshal Chang's Ointment

Marshal Chang Tso-ling, in his attempt to send troops down the Peking-Hankow Railway to attack the 'Christian General,' Feng Yu-hsiang, is handicapped by the uncertain attitude of Gen. Yen Hsi-shan, tupan of Shansi province, who holds the balance of power and of more importance holds a section of the Peking-Hankow Railway which parallels the Shansi-Chihli border for a considerable distance. Japanese reports from Peking last week stated that Chang Tso-ling had about decided to take the bull by the horns and start a drive against Yen Hsi-shan on account of Yen's 'dilly-dallying' attitude. But if the Mukden warlord did this it would immediately force Yan and Feng into an active alliance, which would spell the doom of the Fengtien party. The situation in the North, from the standpoint of Chang Tso-ling, Feng Yu-hsiang and Yen Hsi-shan, therefore remains at a practical deadlock.

Japanese Withdrawing Troops from Shantung

According to recent reports from Tsingtao and Tokyo, the Japanese have practically decided to withdraw their troops from Shantung province with the exception of a small garrison at Tsingtao. This decision is said to be based upon an understanding reached between the Nationalist leaders and Mr. Yoshizawa, the Japanese Minister, who visited Nanking several days ago. According to unofficial reports of this conference the Nationalists pressed Yoshizawa for a definite declaration on the question of the Japanese troops in Shantung and finally Yoshizawa agreed to recommend the gradual withdrawal of the troops, provided the Nationalists would give a written guarantee that Japanese nationals and their interests in Shantung province would not be interfered with in the event of a Nationalist advance into that area. This was done by C. C. Wu, Nationalist Minister of Foreign Affairs several days ago, so Japan is apparently preparing to withdraw her troops from the interior of Shantung and has also announced her intentions of gradually withdrawing her naval forces from Shanghai.

Nationalists Postpone Tariff Autonomy

According to official announcement early this week, the Nationalists have decided to temporarily postpone the enforcement of the new customs duties and the abolition of likin, which were announced to become effective on September 1. The reason for this action, according to the report, was due to the necessity of devoting full attention to the unification of the Kuomintang and consolidation of control of the Nationalists in South China. The announcement, which was issued through the official *Kuo Min* news agency on Tuesday, August 30, reserved the right of the Nationalists to declare complete tariff autonomy at any time they wished. In the meantime the customs taxes will be assessed on a basis of 5 percent *advalorem* plus the 2½ percent surtax which was authorized at the Washington Conference.

Men and Events

The "English" Church at Dairen has been renamed St. Paul's, so as to remove any misapprehension as to its exclusiveness.

Frederick Moore, correspondent for the *New York Times*, who has been in North China for some time, has returned to Shanghai.

T. V. Soong, former Minister of Finance, at Hankow and who, according to report, is slated for Minister of Finance of the united Nationalist Government, has gone to Nanking.

E. W. Hoskins, who has been connected with the San Francisco office of the *Associated Press*, has been transferred to Manila where he will have charge of the Manila bureau.

D. R. Shinazi of the Columbia Pacific Shipping Company returned to Shanghai from America August 27 by the s. s. *President Jefferson*, accompanied by Mrs. Shinazi and their two children.

Dr. C. C. Wu, Minister for Foreign Affairs of the Nationalist Government, who has been in Kiukiang attending a conference with representatives of the Hankow Government, has returned to Nanking.

Judge Daniel R. Williams, for many years a judge in the Philippines, but recently engaged in business in San Francisco, arrived in Shanghai last week on his way to Manila. He is residing at the American Club.

W. M. Marshall, a graduate of Harvard University, who has been in Shanghai during the Summer, departed last Sunday for Canton, where he will teach at Lingnan University (formerly Canton Christian College).

Maurice Hindus, representative of the *World's Work*, leading American magazine published at Garden City, N. Y., has arrived in Shanghai for the purpose of obtaining material for a series of articles dealing with conditions in China.

"Pacific to Lead the World", an address delivered recently by Capt. Robert Dollar before the Chicago Rotarians, is printed as the principal article in the August issue of *Pan Pacific Progress*, published at Los Angeles, Calif.

Lady Drummond Hay, well-known British journalist, departed from Shanghai for southern ports by the s. s. *President Garfield* August 26. It is announced that she will spend some time in Java and India, and then return to England.

Dr. J. C. McCracken, head of St. Luke's Hospital and director of the medical department of St. John's University, accompanied by Mrs. McCracken and their children, is expected back in Shanghai shortly after a year's leave in the United States.

E. V. Jones, for many years professor of Chemistry at the University of Nanking, is spending his furlough year at the University of California in graduate study and research work in physical chemistry. His address is No. 2362 Ellsworth Street, Berkeley, Cal.

Victor Rein, traveling correspondent for the *New York World* and a number of other American newspapers, arrived in Shanghai this week and plans to make his headquarters here for several months. Mr. Rein came to Shanghai from Honolulu where he attended the conference on Pacific relations.

Karl H. von Wiegand, general manager in Europe for the Hearst news syndicates, who has been spending several months in China, departed from Shanghai by the s. s. *President Garfield* August 26, enroute to Manila and eventually India. Mr. von Wiegand is making a special study of the Nationalist movement throughout Asia.

Here's a way in which the Chinese Nationalists could obtain control of Shanghai without a struggle: Simply announce that as soon as they got in they would install a modern telephone service in the foreign areas. If the Chinese would adopt a policy such as this, foreign telephone users would hand over the control of the city with a blessing.

Mrs. Maxwell Newell, wife of the commanding officer of the American infantry regiment at Tientsin, was in Shanghai for a few days last week on her way home to the United States. Mrs. Newell is a daughter of Dr. Jeremiah Jenks of New York, president of the Alexander Hamilton Institute, who once served in an advisory capacity with the Peking Government.

Walter Whiffin, for many years correspondent for the *Associated Press* in Peking, died in Moscow on August 24 according to a message received in Peking a few days ago. Mr. Whiffin came to China in 1918 and up to two years ago served the *Associated Press* in China, Siberia and Japan. When he departed from China he planned to go to Buenos Aires, but was transferred to Moscow. Mr. Whiffin was born in Chicago in 1871 and began newspaper work on the *Chicago American*, but shortly afterwards joined the *Associated Press*. He is survived by Mrs. Whiffin who is now in New York.

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Chinese Delegate at Geneva Appeals for Freedom of Press

According to a report of the *Kuo Wen* News Agency of August 30, Koo Kung-chen, Chinese delegate at the International Press Conference at Geneva, declared that since China did not have the right to interfere with foreign newspaper correspondents, the correspondents "enjoyed the absolute right of sending out irresponsible news from China." Mr. Koo is editor of the *Eastern Times* at Shanghai.

According to previous reports from Geneva the Press Conference adopted a resolution recommending to the League of Nations the international enforcement of a regulation prohibiting governments from interfering with the activities of newspaper correspondents in respect to the sending of cables dealing with political and military news.

Mr. Koo in his statement to the Conference referred to a case in Shanghai where a foreign commercial organization attempted to censor cables being sent out of China by a foreign correspondent to newspapers in the United States. Foreign correspondents in China, according to Mr. Koo, are only permitted to send out dispatches which are "against the interests of China," which conditions do not apply either in Europe or America.

Nationalists Announce Temporary Postponement of Taxation Program

According to an official annoucement sent to the Shanghai Consular Body by the Nationalist Government on Tuesday, August 30, the taxation program which was announced to become effective on September 1, has been "temporarily postponed, in view of existing circumstances."

The postponement includes the new law pertaining to the abolition of likin, the provisional law dealing with the import tariff and the law dealing with the enforcement of an excise duty. The announcement, however, stated that the policy of tariff autonomy which was proclaimed by the Nationalist Government to become effective on September 1 remains in force, hence it is only the application of the specific laws pertaining to increased taxation which are temporarily postponed.

The Anti-Opium Association Hard at Work

At a meeting attended by representatives of about sixty of the leading Chinese organizations in Shanghai, held under the auspices of the National Anti-Opium Association in the Shanghai Bankers Club, August 17, Dr. D. H. Li, the chairman of the Association, made an address in which he outlined the policy which he expected would be adopted by the Nationalist Government. The proposed policy provides for the gradual reduction and total abolition of the use of opium in China within three years, and to this end a progressively cumulative tax is to be imposed. The plan as proposed by the National Anti-opium Association now awaits the approval of the Central Political Council.

American Student Party Arrives in China from Russia

Clarence Alpert, a student in the Southern branch of the University of California, Los Angeles, arrived in Shanghai last week for a few days visit on his way back to the United States after a two months trip through Russia. Mr. Alpert went to Russia with a party of 42 students from colleges and universities in all parts of the United States and after arriving in Moscow the party broke up into smaller groups and traveled throughout most of the country. Ten of the students returned home by way of China. The party was entertained in Russia by the Russian Central Students Bureau.

Olympic Games Evoke Much Enthusiasm

The Far Eastern Olympic Games, in which athletes from China, the Philippines and Japan are competing, commenced August 27 on the Pioneer field, French Concession, Shanghai, and will finish September 3. The contests are evoking much enthusiasm, and on the whole good sportsmanship is being displayed. There was, however, an untoward incident during the football match last Wednesday between the Chinese and the Filipinos, when the players and spectators engaged in a scrimmage.

From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

August 23—Japanese Minister Yoshizawa, upon his return to Peking stated, according to *Toho* agency, that Japan had no intention of adopting an aggressive policy toward Manchuria and that it was unfortunate that the term 'positive policy' had been used in this connection as it had caused misunderstanding—Wang Ching-wei and five other leading members of Wu-Han Government arrive at Kiukiang and immediately proceed to Kuling in company with Generals Chu Pei-teh and Liu Hsiang; expected Wang Ching-wei will proceed to Nanking within two days; Gen. Li Tsung-jen of Nanking faction also arrives at Kuling, but reported that Generals Chang Fa-kwei and Ho Chien will not attend conference—Reported that Gen. Tang Shen-tse will maintain his headquarters at Kuling in order to direct military operations against the Northerners through Anhwei—Canton Government prohibits export of cash in order to stabilize notes; also distributes two millions in silver among banks—Japanese Yawata Iron Works embarassed by failure to obtain iron from Han-yeh-ping works at Hanyang (near Hankow) makes contract for supplies with Kuhara Chmpany which has mines in Malay Peninsula and Japan—Yoshizawa declared that Chinese in both North and South are competing with each other in illegal taxation; declared his intentions to resume negotiations of Sino-Japanese commercial treaty immediately—British and American destroyers fired on by Northern troops at Pukow (opposite Nanking) return the fire and silence batteries—*Kuo Min* agency report states that meeting of Nanking Central Joint Committee attended by Li Lieh-chun, C. C. Wu, Wang Pei-chun, Liu Pao-tsung, Soong Sia-yuan, Chien Yung-min, Yih Tsu-cheng, and Generals Yuan Ping, Ho Yin-chin. Bei Tsung-chi, Niu Yung-chi, Chen Tso-kwan, Chen Tiao-yuen, Ho Yao-tsu and Li Lieh-chun made following decisions: (1) Matter of abolition of likin and national tariff referred to Ministry of Finance and Foreign Affairs' consideration; (2) Military reorganization to be effected including disbandment of superfluous troops, reduction of bureaus attached to armies including political departments, retrenchment of governmental expenditures, suspend socalled constructive measures, administration of finance to be under financial organs of central government and provinces, expenses of Shanghai-Woosung Administrative district to be limited to $80,000 monthly—Gen. Bei Tsung-chi, defense commissioner, announces that no ships, foreign or Chinese will be permitted to enter Shanghai after nightfall—Both Chinese and Japanese shipping companies resume passenger and freight traffic between Shanghai and Hankow—Nanking Government issues circular telegram urging Chiang Kai-shek, Hu Han-ming, Wu Sze-hui, Tsai Yuan-pei, Li Shih-tseng and Chang Ching-kiang to reconsider resignations—*Kuo Min* agency announces Government plans for improving administration of Chinese areas at Shanghai including appointment of Defense Commissioner and abolition of political departments, which were previously attached to the armies, volunteer corps and special police, to be abolished, pacification bureau to be abolished and members sent to front, office of martial law commander to be abolished and work taken over by defense commissioner, and no other organs to be permitted to make arrests; staff of public peace bureau to be equipped with arms but to work in cooperation with defense commissioner—*Toho* reports that complete understanding has been effected by Yen Hsi-shan of Shansi and FenYu-hsiang in Honan—All Nationalist troops at Nanking fully paid up with million dollars obtained

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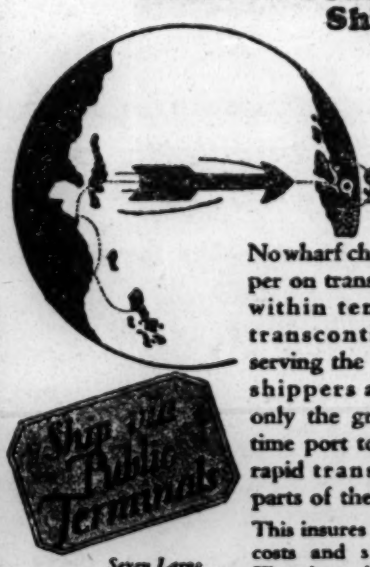

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from Shanghai Chinese banking interests—Gen. Chang Ting-pan appointed Mayor of Shanghai in place of Gen. Hwang Fu, who resigned—Feng Yu-hsiang asks for immediate financial assistance from Nanking Government—*Kuo Min* reports that Hu Han-ming may shortly return to Nanking—Reported that Fengtien may send forces to Shantung to assist Chang Chung-chang.

August 24—Japanese Minister Yoshizawa calls on Chang Tso-ling and informs him regarding Japan's new 'positive' policy in respect to Manchuria and Mongolia and also informs Chang that Japan desires to immediately open negotiations on these subjects—*Toho* report from Peking states that the Diplomatic Corps understands that the Nationalist Government intends to postpone the enforcement of the new tax schedule announced for September 1—100 British marines land at Nanking to protect foreigners in the building of the International Export company plant—Japanese airplanes flight from Fukuoka to Shanghai scheduled for August 26—1,300 Chinese laborers in the Pen-Chi-Hu Coal and Iron Mining Company, near Mukden, strike and riot causing Japanese to send troops to suppress the disorder—Gen. Chang Chung-chang, tupan of Shantung urges Peking military conference to take strong action against Gen. Yen Hsi-shan for his policy of 'sitting on the fence' and not declaring his intentions in respect to the fight between Feng Yu-hsiang and Chang Tso-ling—*Toho* report states that Sun Chuan-fang has about 10,000 troops at Pukow and Yangchow and along the Yangtsze and that Sun is making active preparations to cross the river and attack the Nationalists—C. C. Wu, foreign minister of Nanking Government, departs for Kiukiang to confer with Wang Ching-wei, Tan Yan-kai, Sun Fo and other members of the Wu-han Government—Nanking Government issues regulations, according to *Kuo Min* agency, for regulation of the Ministry of Foreign Affairs, declaring that the Foreign Ministry shall function directly under the Government; shall have charge of all international relations; all matters pertaining to foreigners in China and Chinese in foreign countries and shall protect Chinese commercial interests abroad—Feng Yu-hsiang sends Gen. Liu Chi as his delegate to the Kiukiang conference between Hankow and Nanking—Gen. Wei Yi-san, who recently had trouble with the Wu-han Government owing to his communication with the Northerners, succeeds in escaping with a remnant of his forces into Anhwei—*Kuo Wen* report states Chang Chung-chang and Sun Chuan-fang are preparing to attack Feng Yu-hsiang at Chengchow while Chang Tso-ling is preparing to drive down the Peking-Hankow line—Rported that Diplomatic Corps is preparing strong protest against Nanking tax proposals as well as illegal taxation in the North—Nanking Chinese merchants petition for postponement of proposed house tax, claiming merchants have suffered too much from internal war to pay same—Shanghai-Nanking-Hangchow Railway claims losses amounting to $4,689 as result of British cutting of line and asks Nationalist Government to lodge claim with the British.

August 25—Chinese troops continue to leave Hankow for Kiukiang and Anhwei—Gen. Chen Tiao-yuan arrives at Wuhu, Anhwei and assists in inauguration of provincial government—Business disrupted at Ichang by worthless paper currency—*Toho* message from Nanking states that differences have developed between Nationalist generals Li Tsung-jen and Ho Yin-chun—Northerners at Pukow continue to shell Nanking; Shanghai *Evening News* (Chang Tso-ling organ) claims Northern troops under Sun Chuan-fang have captured Nantungchow about 80 miles north of Shanghai on Yangtsze—Tan Yen-kai, Sun Fo and Li Tsung-jen arrive in Nanking from Kiukiang while Wang Ching-wei and other members of party are expected shortly—Reported that the 7th Nationalist army will be stationed in Nanking and that Tang Shen-tse will move his troops across Anhwei from Anking toward Pengpu with the idea of cutting Sun's line of communications—Japanese sailors withdrawn from Chinkiang—*Kuo Min* report from Nanking claims that Nationalist troops are closing in on Pengpu and that Hsuchowfu has been captured by Feng Yu-hsiang and

(*Continued on page VI*)

H. B. Campbell
14 Foochow Road,
Shanghai.

New Books of Interest in the Far East

Japan's Mainland Possession

The New Korea, by Alleyne Ireland,. New York: Dutton & Company.

The author of this work is a well known authority on Colonial Administration, and has written standard works on British rule in Burma, the Federated Malay States, Hong Kong, American rule in the Philippines, Dutch rule in Java, and French rule in Indo-China. Being an impartial observer and a trained investigator into administrative affairs his contribution on Japanese rule in Korea must be considered valuable and reliable.

Korea presents a rare spectacle of a civilized race ruling another civilized race. Korea has had a long and glorious history, and her cultural contribution is by no means negligible. But at the time Japan annexed Korea, in 1910, the actual conditions of life in the Peninsula were extremely bad. This was not due, however, to any lack of inherent intelligence and ability in the Korean race, but to the stupidity and corruption which for five hundred years had characterised the government of the Korean dynasty, and to the existence during that period of a royal court which maintained throughout Korea a system of licensed cruelty and corruption.

Owing to the geographical position of Korea Japan could not remain a silent witness to the drama of corruption and imperialism that Russia was enacting there. A Korea under Russian domination meant death to Japan as a self-governing country. Still Japan wanted Korea to be strong and independent. A nation in decay is adverse to reforms, and exposes herself to be a tool of another nation. Such was Korea in 1906. When Japan saw that it was simply impossible for Korea to remain independent, she annexed her.

Was there any moral justification for the annexation of Korea? The author points to the instinct of self-preservation. The following remarks of the author in this connection merit a thoughtful consideration:

"Self-rule and dependent rule each have inherent in them the possibility of misrule. In self-ruled countries the danger lies in the dishonesty and incompetence of which partisan politics and political machinery are the supple instruments and the staunch defenders....In dependencies the threat to good government comes from another source—the stupidity, the incompetence and the arrogance of colonial officials. In the matter of corruption I am convinced beyond all doubt that, allowing for an occasional exception, the government of self-ruled countries is much more corrupt than that of colonial dependencies...."

A glance at the figures published by the government general of Korea will convince any skeptic that Japan has done incalculable good to Korea, imparting education, by opening communication, by founding an excellent judicial system, by improving the economic condition of the country, and by promoting morality among the ease-loving people of Korea. Japan has founded an ideal police system in Korea and the land which was a victim to continual banditry, and want of peace ten years ago, is to-day entirely free from bandits and kidnappers.

Korea has a most up-to-date medical system, and the public health has improved considerably during the Japanese regime. Free hospitals, hospitals for lepers, and maternity wards have been added. The government general of Korea has paid particular attention to the improvement of agriculture in the land and a large number of model farms have been established. Agricultural associations have been formed to help the farmers, and at present there are nearly six hundred such associations with a total membership of three million. Water supply for irrigation has been regulated.

The author says nothing about the revolutionary movement in Korea as a discussion on the subject is consideral irrelevent. He has noticed no anti-Korean feeling anywhere in the Empire, and a very large majority of the Koreans is satisfied with the Japanese rule which has given them the blessings of peace and justice.

The author concludes his introduction to the book with the following remarks:

"I have formed the opinion that Korea is to-day infinitely better governed than it ever was under its own native rulers, that it is better governed than most self-governing countries, that it is as well governed as any of the British, American, French, Dutch, and Portugese dependencies which I have visited, and is better governed than most of them, having in view as well the cultural and economic development of the people as the technique of administration."

H. P. SHASTRI.

The China Courier

MIRROR OF CHINESE OPINION

公 論 日 報

UP AND COMING

No other daily journal in the history of Shanghai has had such a rapid and surprising growth as THE CHINA COURIER. Our policy has attracted friends among the Chinese and various groups of foreigners who are working in harmony with the Chinese. We print a wide variety of interesting articles on literary, historical, economic and political subjects, written by specialists; including a page of book news every Saturday and other entertaining new departments.

As the organ of the Nationalist movement, and the spokesman of the Chinese in authority around Shanghai and in the greater part of China, THE CHINA COURIER in recent months has had a very large increase in subscriptions and in general popularity. Our paper prints news and an interpretation of news that are not found in any other journal in Shanghai. Consequently, the public—particularly that portion of it composed of the Chinese and the friends of the Chinese—are turning to the paper in increasing numbers. HERE IS A BODY OF READERS THAT SHOULD APPEAL STRONGLY TO ADVERTISERS.

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6-A Hongkong Road, Shanghai

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Latest New York Stock Exchange Quotations

Aug. 27. Supplied by J. E. Swan & Co. Tel. C. 6615 6619.
Market Closed Irregular Business Done 1,800,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	157	158½
American Can (Common)	61¼	64
American Radiator (Common)	135¼	134¾
Amer. Smelting & Refining (Common)	169¾	170⅛
American Telephone & Tel. (Common)	169	168½
American Tobacco "B"	143⅞	145
Baldwin Locomotive Co. (Common)	258	256
Bethlehem Steel (Common)	63½	63
Bethlehem Steel, Pfd. 7%	116	116
Baltimore & Ohio (Common)	120	118¾
Continental Can (Common)	74	74
Cheasapeake & Ohio (Common)	195¼	194
Eastman Kodak Co. (Common)	169½	168
General Baking "A"	69¼	69⅜
General Electric (Common)	133⅞	139¾
General Motors (Common)	mutilated	248¼
Goodrich (B.F.) Co. (Common)	69¼	72⅞
International Match, Pfd.	74½	74⅛
International Nickel (Common)	66¾	67
Ligget & Myers, Class "B"	119⅜	120
Mack Trucks (Common)	102¼	98¾
New York Central (Common)	157	154⅞
Packard Motor Car Co. (Common)	42⅛	40⅛
Phillips Petroleum (Common)	42⅝	42⅛
Pacific Gas & Electric	39½	39⅛
Radio Corp. of America (Common)	61¾	63¼
Reynolds Tobacco, Class "B"	137⅝	mntilated
Standard Gas & Electric (Common)	63½	63
Schulte Retail Stores (Common)	54¾	54½
Southerna Rilway (Common)	135	133
Standard Oil of California	54	53¾
" " of New Jersey	38¼	38⅛
" " of New York	31⅛	31⅛
" " of Indiana	73½	74⅜
Texas Corporation (Common)	49⅛	49⅜
Tobacco Products (Common)	114	99¾
Union Carbide	137½	137
Union Pacific RR. (Common)	190	189¾
United Fruit	136	136¾
United Drug (Common)	170¼	170
United States Rubber (Common)	49⅜	47⅝
United States Realty & Imp.	66	64¼

American Gold Bond Qoutations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Aug. 18th	Sale Price Aug. 25th	Approx. Yield to Maturity Aug. 25th
Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108	108	7.30
Czecho Slovak Govt. Ext. S. F. Loan.....	7½	Oct. 1, 1945	106	105⅜	6.95
Chile S. F. Loan.....	7	Nov. 1, 1942	101½	102½	6.75
Argentine Ext. S. F..... Loan.....	6	May. 1, 1960	99⅞	99¾	6.00
Italy, Ext. S. F. Loan..	7	Dec. 1, 1951	95⅛	96	7.35
Austrian S. F. G. Loan..	7	June 1, 1943	102⅛	102 (Bid)	6.80
French Ext. S. F. Loan	8	Sep. 15, 1945	112¼	111	6.90
Japanese Govt. (£).....	5	1907/1947	82⅝	84½	6.40
German Govt. S. F. Loan	7	Oct. 1, 1949	107¼	106⅞	6.40
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	101¾	101¾	6.85
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	102⅛	102⅛	6.75
German G. E. C. S. F. Loan.....	7	Jan. 15, 1945	104¾	104⅝	6.55
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	99½	99½	6.55
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98	98	6.70
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	98½	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100⅞	102	7.30
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	100¾	100¾	6.90
Pennsylvania Dixie Cement Cumulative...	7	Pfd. Stock		97 Mutilated	—
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	97¼	97½	7.20
Willys-Overland Co.....	7	Pfd. Stock	92	94⅔	7.41
The National City Bank of New York.....	20	Stock	615	600	3.03

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, August 31, 1927

By Maitland, Fearon and Brand

Exchange:—The price for Bar Silver in London has improved 3/16d. ready and ½d. two months forward during the past week, today's quotations being respectively 25⅛d. The official T/T rate on London is ½d. higher @ 2/5⅛d. The exchange market continues quiet and inactive in regard imports and exports and is still influenced largely by political news and rumours. The market at the close of today's business is quietly steady and the following rates for Gold remittances are available:—T/T London 2/5⅛d., New York 60½, Yen 78.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 59,998,000 an increase of Tls. 3,417,000

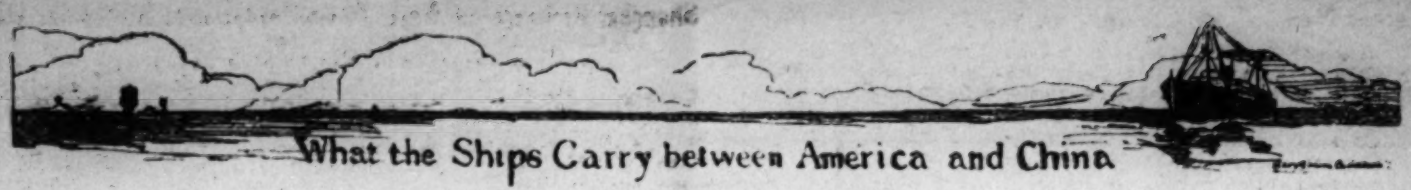
Chinese and Mexican Dollars..... $ 86,560,000 a decrease of $ 1,300,000

Estimated value Tls. 122,319,000 as against Tls. 130,951,000 held at this time last year.

	Average rates for Aug.	Thursday Aug. 25th	Friday Aug. 26th	Satur. Aug. 27	Monday August 29	Tuesday Aug. 30	Wednesday Aug. 31
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/5 47⅛	2/5¼	2/5⅛	2/5⅛	2/5⅛	2/5⅛	2/5⅛
D/Dfts "	—	2/5 5/16	2/5 5/16	2/5 5/16	2/5 5/16	2/5 5/16	2/5 5/16
4 m/s "	—	2/5⅛	2/5⅛	2/5¼	2/5¼	2/5¼	2/5¼
T/T India	164.615	163¼	164¼	164¼	164⅛	164⅛	164⅛
T/T France	1,523.269	1510	1525	1525	1525	1525	1525
T/T N. Y.	59.692	59¼	59⅜	59⅜	59⅜	59⅜	59⅜
T/T Demand		56⅝	60⅛	60⅛	60⅛	60⅛	60⅛
T/T Hamburg		249	251	251	251	251	251
T/T H'kong	80.173	80⅛	80⅛	80⅛	80¼	80¼	80¼
T/T Japan	79.413	80	79½	79¼	79	79	79
T/T Batavia	148.433	147½	148¾	148¾	148¾	148½	148¾
T/T Straits	94.423	95	94½	94¼	94¼	94¼	94¼
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/7.471	2/7¼	2/7⅛	2/7⅛	2/7⅛	2/7⅛	2/7⅛
4 m/s " D/P	—	2/7⅜	2/7⅜	2/7⅜	2/7⅜	2/7⅜	2/7⅜
6 m/s " B/L Cred D/A	2/7.783	2/7 5/16	2/7 7/16	2/7 7/16	2/7 7/16	2/7 7/16	2/7 7/16
4 m/s B/F Cred D/A or D/P	1,653.269	1640	1655	1655	1655	1655	1655
4 m/s N.Y.Lc.	63.173	62¾	63⅛	63⅛	63⅛	63⅛	63⅛
4 m/s " Docs	—	63¼	63⅜	63⅜	63¼	63⅜	63⅜

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	Aug. 25	Aug. 26	Aug. 27	Aug. 29	Aug. 30	Aug. 31
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25⅛	25⅛	25¼	25 5/16	25¼	25¼
**New York Price of Bar Silver per oz. (Pure)	G. $.54⅜	G. $. 54⅜	G. $. 54⅜	G. $. 54⅜	G. $.54⅜	G. $.54⅞
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 384.10	Tls. 383.00	Tls. 383.00	Tls. 381.00	Tls. 380.70	Tls. 380.00
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110.00	110.00	110.00	110.00	110.00	110.00
Shanghai Mexican Dollars per $100.....	72.85	72.85	72.4375	72.55	72.475	72.475
Native Bank Rate of Interest (Call money).....	3½%	2½%	2½%	3%	3%	3½%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 123.99
Bank of France rate of discount	5%	New York on London	T/T 486 3/16
London open Market of Dis. 3 m/s	4 3/16%	Bombay on London	T/T 1/5 27/32
" 4 "	4 1/16%	Hongkong on London	T/T 1/11⅛
" 6 "	4 3/16%	Kobe on London	T/T 1/11 3/32



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mil's—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.45 equal Gold $1

PRESIDENT PIERCE, July 29.

from U. S. A.

Tinned Plates, Plain ..	Pls.	755
Canned Asparagus	,,	62
,, Fruits, Table & Pie	,,	381
Fruits, Dried.....	,,	10
Hemp Fibre	,,	23
Ink, Printing.....	,,	12
Leather, Calf.....	,,	7
,, Sole, Shoulders	,,	54
Macaroni, in bulk	,,	64
Milk, Evaporated.....	,,	396
Newspapers, Old.....	,,	1,050
Oranges, Fresh.....	,,	449
Paper, Parchment	,,	10
Saccharine	,,	15
Tobacco, Prepared in Bulk	,,	5
Tobacco, Prepared in Tins	,,	7
Coffee	Catties	1,800
Chocolate	Lb.	1,000
Motor-cars	Pcs.	16
Typewriters	,,	13
Lemons Fresh	Mille	292
Treasure:		
Silver Bars....Hk Tls.		628,504

MAYA MARU, August 1.

from U. S. A.

Lead, in Pigs	Pls.	1,681
Milk, Condensed	,,	90
,, Evaporated	,,	542

BALTIMORE MARU, August 1.

from U. S. A.

Brass Tubes, Old ...	Pls.	247
Milk Powder	,,	38
Timber:		
Softwood, Ordinary, Sawn .....Sup ft.		729,856
Softwood, Merchantable ..... Sup. ft.		206,947
Softwood, Ordinary, Manufactured	,,	180,946

OMI MARU, August 4.

From U. S. A.

Copper Ingots.....	Pls.	2,520

PAWLET, August 5.

from U. S. A.

Glue, Marine.....	Pls.	9
Gasolene, in Cases ....Galls.		700
Oil, Kerosene, in Cases	,,	225,320
Turpentine, Mineral...	,,	1,041

PRESIDENT JACKSON, August 5.

from U S. A.

Lead	Pls.	1,679
Steel Spring	,,	17
Bacon.....	,,	16
Cotton Flock	,,	58
Flour, Wheat.....	,,	1,050
Gelatine.....	,,	2
Hams	,,	29
Ink, Printing	,,	173
Motor-cars.....	Pcs.	11
Timber:		
Softwood, Merchantable..... Sup ft.		54,223

PRESIDENT MADISON, August 5.

To Honolulu.

Chinaware, Fine	Pls.	7
Carpets .....Hk. Tls.		402

To San Francisco.

Tea, Green, Gunpowder	Pls	161
Tea, Green, Young Hyson	,,	52
Books, Chinese	,,	6
Brassware.....	,,	19
Chinaware, Fine.....	,,	17
Egg Albumen, Frozen	,,	672
Oil, Wood	,,	4,725
Woodware	,,	3
Hats, Fibre	Pcs.	741

Foreign Goods.

Asparagus	Pls.	25

To New York.

Silk, Raw, Filature: Wild, other Ports Bls. 20.....	,,	20.37
Brassware	,,	80
Chinaware, Fine.....	,,	7
Cotton, Raw..Bls. 123	,,	468
Egg Whole, Dried....	,,	84
,, Yolk, Dried....	,,	263
Hides, Cow	,,	183
Woodware	,,	6
Bags, Straw	Pcs.	2,064
Hats, Rush.....	,,	109,800
Kittysols	,,	200
Skin Rugs, Doe	,,	1,000
Skins, Dog, Tanned..	,,	2,554
,, Mole, Untanned	,,	4,402
,, Sheep, ,, ,,		1,500
Carpets .....Hk. Tls.		12,496

To Los Angeles.

Tea, Green, Gunpowder	Pls.	42
Egg Albumen, Dried ..	,,	101
Feathers, Goose	,,	3

To Portland.

Boxes, Pig Skin	Pcs.	370

To Charleston.

Hair, Human.....	Pls.	213

To Chicago.

Egg Yolk, Dried.....	,,	252
Carpets.....	Hk. Tls.	1,576

To Florida.

Carpets	Hk. Tls.	168

To Philadelphia.

Carpets.....	Hk. Tls.	14,548

To Kansas.

Tea, Green, Gunpowder	Pls.	166

To Toledo.

Tea, Green, Young Hyson	,,	1
Tea, Green, Hyson...	,,	1
,, ,, Gunpowder	,,	114
Tea, Black, other kinds,	,,	244

To Papeete.

Cigarettes	,,	9

To Colon.

Brassware	,,	5

EMPRESS OF CANADA, August. 6.

To Vancouver.

Silk Piece Goods'	Pls.	1.01
Tea, Black: Other Kinds, Kiukiang	,,	6
Keemum, Kiukiang	,,	10
Tea, Green: Gunpowder, other Ports	Pls.	20
Young Hyson, other Ports	,,	14
Oil, Groundnut	,,	76

To Scranton.

Silk, Raw, Re-reeled: White, Shanghai Bls. 5	Pls.	4.99

To Huntingdon

Silk, Raw, Steam Filature: White, Shanghai Bls. 165	,,	164.06

To Luzerne.

Silk, Raw, Steam Filature: White, Shanghai Bls. 10	,,	9.92

To Shamokin.

Silk, Raw, Steam Filature: White, Shanghai Bls. 70	Pls.	70.12

To Fort Wayne.

Tea, Green: Unfired, Kiukiang..	,,	7
,, other Ports	,,	137

To White Hall.

Silk, Waste .. Bls. 17	Pls.	55.95

To Philadelphia.

Hair, Horse	,,	52

To Toledo.

Young Hyson, Kiukiang	,,	64
Youug Hyson, other Ports.....	,,	67
Hyson, other Ports..	,,	46
Gunpowder, other Ports	,,	24

To Buffalo.

Silk, Raw, Steam Filature: White, Shanghai Bls. 365	,,	362.17

To Chicago.

Tea, Green: Hyson, other Ports	,,	33
Young Hyson, other Ports	,,	431
Gunpowder, Ningpo	,,	271
,, other Ports	,,	28
Unfired, Kiukiang ..	,,	19
,, other Ports	,,	241
Tea, Black, other kinds, Kiukiang	,,	106

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 97	Pls.	88.56
Tea, Black, other kinds, Kiukiang	,,	1
Tea, Green: Gunpowder, other Ports	,,	1
Bristles, Assorted.....	,,	66
Hair, Horse	,,	56
Intestines, Pigs'	,,	31

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Since the issue of our last circular our market continued firm with an upward tendency although on the local staple hardly any business of a voluminous character transpired at any time during the week under review.

The inherent firmness existent in the local rates may be ascribed at this time to several factors: (1) the effective influence of the rapid rise in Mid-American and Indians, (2) the expectancy of a strong demand for the domestic growth on the part of our industrious neighbor engendered by constant reports regarding the crop both in America and India proving to be a shorter one than that of last year, (3) a continuance of very small receipt from the interior marts, (4) holders of stocks, taking advantage of the present circumstances, are not keen sellers except at prices in conformity with their ideas.

Having the foregoing in view the indications as to the trend of the prices cannot but be bullish for the time being, as the value of the local staple is the most attractive by reason of its being comparatively the lowest in the world at the moment.

Yarn:—Fluctuations in the yarn market during the past have been nervous and erratic but the tendency on the whole has been on the firm side, and prices advanced some one to two taels as compared with last week's level. Business for export has been booked some 11000 to 12000 bales in all counts and chops.

Liverpool:—

American-Middling	11.29
American-Middling last reported	10.69
Tone of the Market, *Firm*	

Indian Market:—

Fully Good Bengal, D./J.	360
Fine Oomra, July.....	400
Fully Good Broach, J./A.	433
Tone of the market—*Firm*	

New York Market:—

Price of Mid-Amer.	21.55 Spot.
	21.32 Oct.
	21.55 Dec.
	21.52 Jan.
	21.75 Mar.
	21.80 May.

Tone of the market—*Firm*

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	38.50
Shanghai, Spot.....	38.00
M. Ginned, Spot.....	38.25
Shensi, No. 1 Spot.....	39.50
Ningpo. Spot, Exwharf.	35.00

Tone of the market—*Steady*

(Continued from page 26)

that Sun Chuan-fang has been cut off—*Kuo Min* states that Chinese authorities are going to clean up low-class dance halls on borders of International Settlement—Koo Kung-chen, editor of Shanghai *Eastern Times*, representing Chinese newspapers at International Press Conference at Geneva, demands reduction in cable rates on press messages between China and Europe; also criticised accuracy of dispatches from China appearing in European press—Fengtien trying to induce Yen Hsi-shan, to withdraw his troops from the Peking-Hankow railway in order that Fengtien troops may advance toward Honan to attack Feng Yu-hsiang—*Kuo Wen* reports that total liabilities of defunct Union Trading Company of Tientsin are $8,500,000; manager Chi Jen-hsi still in custody—Feng Yu-hsiang sends telegram to Hankow urging Tang Shen-tse to advance against Sun Chuan-fang across Anhwei and that the Nanking troops should also cross the river and attack simultaneously, while he (Feng) will move northward, predicting the elimination of Chang Tso-ling within one month—Shanghai Chinese Chamber of Commerce asks Nanking Government to postpone tariff autonomy program on following grounds: (1) merchants unyet had time to make preparations; (2) luxury lists unyet prepared; (3) likin cannot be abolished in all provinces thus causing confusion; (4) excise tax will disrupt domestic industry causing unemployment; (5) new plan would curtail the export business without helping Chinese merchants.

August 26—*Toho* report from Hongkong states that Generals Yeh Ting and Ho Lung, who rebelled with 10,000 troops at Nanchang some time ago, instead of retreating toward Kwangsi, have appeared in western Fukien and are planning to attack Swatow and Chaochow in Kwangtung—Japanese report states that some 2,000 of Sun Chuan-fang's troops have crossed the Yangtsze below Chinkiang and are now marching up the river toward Chinkiang—Northern troops in plain clothes cut the Shanghai-Nanking railway near Anting and Chinkiang causing wreck—Sun's troops reported to have captured the Wulungshan fort some 15 miles south of Nanking on the Yangtsze—Northern troops which tried to cross the Yangtsze at Nanking forced to return to Pukow in confusion owing to heavy fire of the Southerners—Chinese laborers continue strike at Penchihu coal and iron works near Mukden causing Japanese to send troops to scene—Capt. Matsumoto appointed commander of Japanese landing party at Shanghai in succession to Capt. Uematsu—*Kuo Min* report from Nanking claims that the troops of Sun Chuan-fang have been cut off at Pukow and are being rounded up and disarmed by the 7th and 33rd Nationalist armies—Also claims that Hsuchowfu has been captured and that Feng is now organizing for drive on Tsinanfu—*Kuo Min* report states that Wang Ching-wei may not come to Nanking but probably will return to Hankow from Kiukiang—Bei Tsing-chi, defense commissioner at Shanghai issues orders that all matters affecting foreign affairs in the Shanghai area must be referred to the Commissioner for Foreign Affairs and that no direct negotiations between military officers and foreigners is to be permitted in future—Quo Tai-chi, commissioner of foreign affairs entertains members of consular body in honor of Gen. Bei Tsung-chi who informs consuls that there is no need for apprehension regarding the military situation—*Kuo Wen* report from Peking states that Japanese Minister Yoshizawa while in Manchuria expressed the hope that Fengtien forces would cooperate with Gen. Yen Hsi-shan in Shansi against the Nationalists—Liu Chi-wen, mayor of Nanking, who was appointed by Chiang Kai-shek, has resigned—W. W. Yen, former premier of Peking Government, who was recently offered the post as Peking's representative at Geneva but refused, may decide to go to Europe after all—Peking increases cigarette surtax 30 percent—Fengtien military leaders planning to force the hand of Gen. Yen Hsi-shan of Shansi and compel him to take sides either with or against Fengtien.

August 27—Serious clash develops between Chinese and Japanese owing to rioting at the Penchihu Coal and Iron works near Mukden, the trouble resulting from the Japanese arrest of a Chinese strike leader; following which a general strike was declared—Japanese airplane arrives safely at Shanghai and Chinese grant right to fly over Chinese territory; Japanese state their intentions of establishing regular mail and passenger air-service—Czecho-Slovakian airplane enroute to Japan, arrives in Mukden—*Kuo Min* news agency reports receipt of telegram from Nanking, by local defense commissioner stating that Sun Chuan-fang troops which crossed the Yangtsze, near Nanking, have been defeated—Far Eastern Olympic Games open in Shanghai with welcoming address by Quo Tai-chi, vice-minister of foreign affairs of Nationalist Government and commissioner of foreign affairs at Shanghai—*Kuo Min* agency report states that Chang Tso-ling has not decided upon a definite plan of campaign against Feng Yu-hsiang, operating down the Peking-Hankow Railway and hints that an understanding has been reached with Yen Hsi-shan—Reported that Yang Yu-ting, chief-of-staff of Fengtien is refusing to negotiate with the Japanese over status of Japanese interests in Manchuria and Mongolia—*Kuo Wen* states that Japanese have begun to withdraw troops from Tsinanfu to Tsingtao—Peking report states that Japanese, British, American, Italian and French ministers in Peking have finally agreed to resist the attempt of the Nationalists to increase the customs duties—Shanghai-Nanking Railway repaired at Anting enabling resumption of troop transport—Gen. Bei Tsung-chi orders 14th Revolutionary army to protect Shanghai-Nanking line to prevent further interference by Northern plain-clothes spies—Chang Tso-lin and Chang Chung-chang decide to raise $9,000,000 for financing war against Feng Yu-hsiang, money to be raised in Manchuria, Chihli, Shantung and Jehol provinces—Chang Chung-chang reported to have purchased 20 airplanes from Germany—Y. M. Chien, finance minister for Nationalists under Chiang Kai-shek, announces intentions to retire—*Reuters* (British) service carries story from Peking forecasting that before the end of the present year Marshal Chang Tso-lin will be in control of most of China and will have elected himself president; also states that Feng Yu-hsiang will shortly be eliminated.

August 28—Japanese report states that Chinese bandits led by a Russian, held up and robbed a passenger train on the Chinese-Eastern Railway between Chita and Yablonoi stations, resulting in the wounding of several passengers and members of the train crew and the kidnapping of 50 Chinese passengers who are being held for ransom—Tokyo report states that Japanese Government may shortly decide upon the withdrawal of Japanese troops from Shantung—*Toho* report from Peking states that Gen. Chu Yu-puh, Fengtien leader is now advancing against Feng Yu-hsiang with 30,000 troops from western Shantung—Japanese Minister Yoshizawa holds preliminary conference on Manchurian and Mongolian affairs with Yang Yu-ting, chief of staff of Fengtien military forces but little progress was made; also reported that similar negotiations are proceeding in Mukden between Japanese consul Yoshida and Gen. Mo Teh-hui, Chinese civil governor—*Kuo Min* agency report states that Gen. Bei Tsung's forces have been completely successful against the forces of Sun Chuan-fang which crossed the Yangtsze, capturing many prisoners and also sinking many boats loaded with Northerners which were attempting to effect a landing on the south shore of the river.

August 29—British Legation, Peking, receives report that group of foreign missionaries consisting of Rev. Wilkinson, British; Plymire, American; and Folchner, German, were attacked and killed by bandits on the Kansu border near Tibet—Chang Tso-ling re-distributes North China map, granting Sun Chuan-fang control of Anhwei, Kiangsi and Chekiang and Chang Chung-chang, Chihli, Shantung and Honan; however the new division cannot become effective until the Nationalists are defeated—Chang Tso-ling's delegate, Li Feng-shan, who returned from Shansi where he attempted to obtain the cooperation of Yen Hsi-shan against Feng Yu-hsiang, reports that Yen is still following a 'dilly-dallying' attitude—More Sun Chuan-fang troops cross Yangtsze, but are defeated by the Nationalist troops, some 6,000 prisoners being taken and sent to Hangchow—Japanese *Toho* report states that Mrs. Sun Yat-sen and Eugene Chen arrived in Vladivostok on their way to Moscow, but report denied by Bureau of Foreign Affairs—Jappanese claim that the strike at the Penchihu Coal and Iron Works near Mukden has practically been settled and that most of the men have returned to work although it is still necessary to keep Japanese troops at the works—Japanese airplane hops off on return to Japan—T. V. Soong of Nationalists, who is now at Chinkiang, sends telegram to Shanghai stating that practically all of Sun Chuan-fang's troops have been defeated; *Kuo Min* agency carries statement by Gen. Bei Tsung-chi that Shanghai has no need to fear the results of the fighting at Nanking; that Sun's troops have practically all been rounded up; reported that Nationalist tooops have now counter-attacked by sending troops across Yangtsze at Chinkiang and are launching an attack against Sun's position at Yangchow—*Kuo Min* circulates report warning American Chamber of Commerce at Shanghai against continuance of propaganda against Nationalist Government and threatening to bring matter to the attention of the American authorities—*Kuo Min* circulates joint statement by Generals Ho Yin-chin and Li Chung-jen of Nationalist forces declaring that rumors circulated regarding their disagreement are without foundation—Chinese and Japanese delegates at Geneva Press Conference demand that Communications Committee of League of Nations demand cuttingof press telegraph rates from Europe to China by at least one-fourth of the present rate—Chang Tso-ling continues to arrest and execute students in Peking on grounds of communistic activities—*Kuo Wen* states that Japan may decide to postpone the discussions with Chang Tso-ling regarding the Japanese demands pertaining to Manchuria and Mongolia—Fengtien forces send dozen airplanes to Tsinanfu for use in war against Feng Yu-hsiang—Serious wreck on Shanghai-Nanking line due to collision of military trains near Lungtan—Gen. Bei Tsung-chi rewards laborers who repaired Shanghai-Nanking railway with present of $1,000.

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